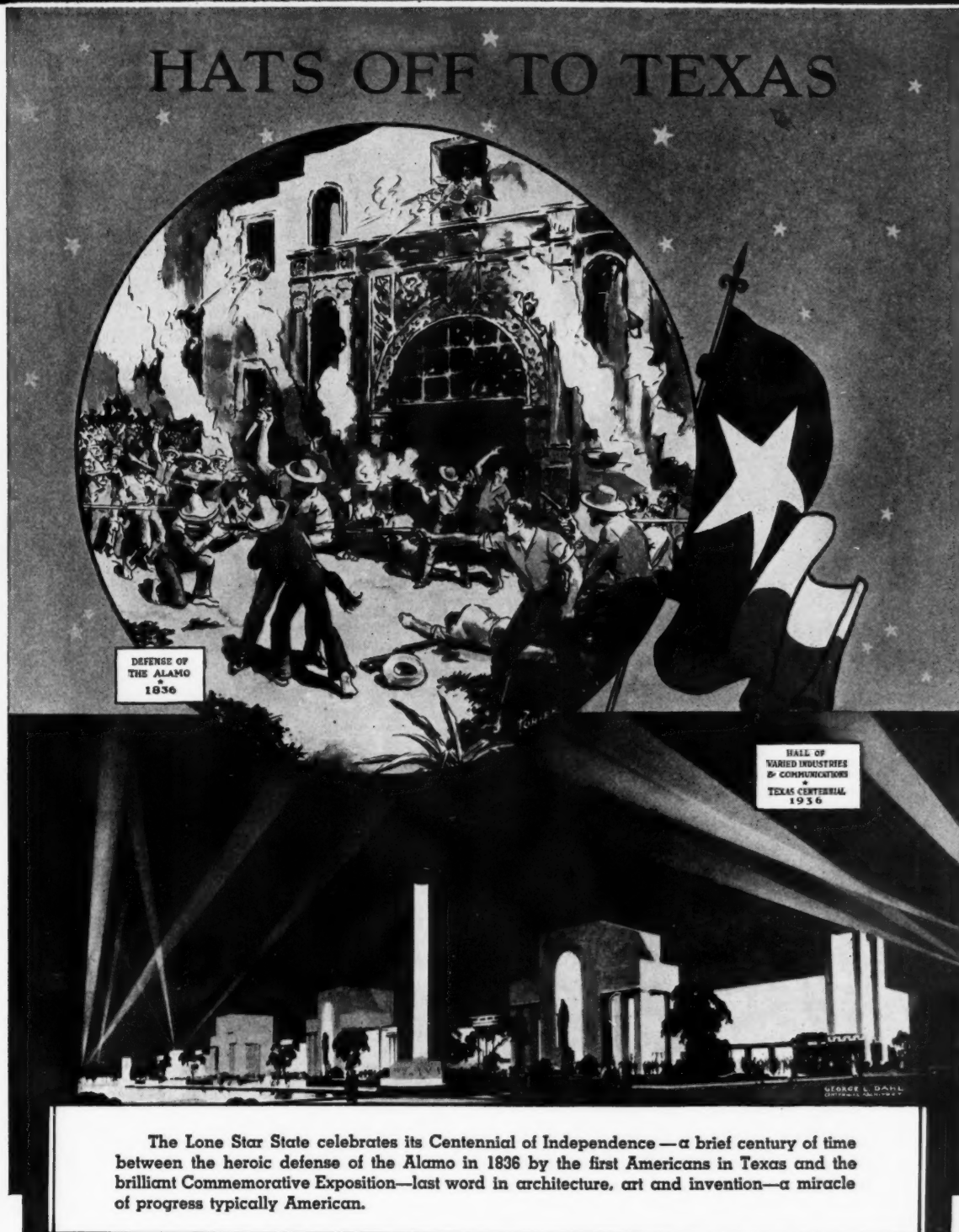


The NATIONAL UNDERWRITER



LOYALTY GROUP

Firemen's Insurance Company of Newark, New Jersey—ORGANIZED 1855

The Girard Fire & Marine Insurance Co. ORGANIZED 1853
The Mechanics Insurance Co. of Philadelphia " 1854
Superior Fire Insurance Company " 1871
The Metropolitan Casualty Insurance Co of NY " 1874

Milwaukee Mechanics' Insurance Company ORGANIZED 1852
National-Ben Franklin Fire Insurance Co " 1866
The Concordia Fire Insurance Co of Milwaukee " 1870
Commercial Casualty Insurance Company " 1909

WESTERN DEPARTMENT
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CANADIAN DEPARTMENT
451 BAY STREET, TORONTO, CANADA

EASTERN DEPARTMENT
10 Park Place
Newark, New Jersey

PACIFIC DEPARTMENT
220 BUSH STREET, SAN FRANCISCO, CAL

SOUTH-WESTERN DEPT.
912 COMMERCE STREET, DALLAS, TEXAS

THURSDAY, JULY 16, 1936

True a century ago- true today:-

There is hardly anything in the world
that some man cannot make a little
worse and sell a little cheaper and
the people who consider price only
are this man's lawful prey.

John Ruskin

THE HOME INSURANCE COMPANY NEW YORK

Strength

« »

Reputation

« »

Service

"NOW I REALIZE
WHAT IT MEANS TO
BE COMPLETELY IN-
SURED IN A STRONG
STOCK COMPANY"

PROVED BY THE ACID TEST OF TIME

America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



and Indemnity Group

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY
ERNEST STURM, Chairman of the Boards
BERNARD M. CULVER, President

New York, N.Y.

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

● ON SATURDAY morning last a man visited our office and explained that he wished us to insure his automobile. He stated that he had recently arrived in Wilkes-Barre having formerly lived in Tampa, Florida. Needing automobile insurance he recalled a Hartford advertisement depicting the tie-up with Western Union; immediately calling Western Union he was advised of our name and address, called on us and we are pleased to report that we wrote his business. For this we owe the Hartford's hook-up with Western Union a vote of thanks.

Robert C. Rinehimer

J. STANLEY RINEHIMER
GENERAL AGENT

**Hartford Accident and
Indemnity Company**
Wilkes-Barre, Pa.



For information regarding possible agency connections
address: Agency Department, Hartford Accident and
Indemnity Company, Hartford, Conn.



Introduce Agreed Amount in West

Waiver of Fallen Building Clause
Available for 10 Percent
Charge

EASTERN PLAN COMPARED

To Collect 5% Extra Where U. & O.
Substitute for Contribution
Plan Is Used

Promulgation of an agreed amount use and occupancy clause and of an endorsement waiving the fallen building clause in the fire policy in the middle western territory is announced this week. These changes, together with some other less important innovations, became effective this week in Illinois and Ohio. They will be introduced in due course in the other western states.

That the west would come out with an agreed amount clause has been taken for granted for some time. Such a clause was introduced in the east in March of this year and such a clause has been in effect on the Pacific Coast for several years.

In the west there is to be an extra charge of 5 percent where the agreed amount clause is used in lieu of the contribution clause. On the Coast and in the east there is no extra charge. Whether to make such an extra charge has been a point of difference among experts in the west and discussions on that point have been partially responsible for the delay in bringing out the clause.

Another Difference

Another difference in the west is that the agreed amount endorsement may be used for all mercantile or non-manufacturing risks, whereas in the east and on the Coast it is applicable only to non-manufacturing risks of the sprinklered and fireproof class.

The work sheet in the west calls for the certification of an auditor or in lieu thereof of a full amount clause. In the east all that is needed is certification of the work sheet on the part of a member of the insured firm.

Certification in the west must be by the independent auditor who handles the assured's accounts. If the assured does not have his books audited by outside experts, then he must have the full amount clause attached to the policy.

The work sheet in the west is quite similar to that in the east. However, in the west there is only one work sheet whereas in the east there are two work sheets, one for mercantile and one for other non-manufacturing risks.

In the west, the agreed amount endorsement expires not later than 60 days after the end of the fiscal year of the assured. Thus if the policy were written in December and the end of the assured's fiscal year was Dec. 31, the

(CONTINUED ON PAGE 24)

Orders Regulation of the Marine Line in Wisconsin

EFFECTIVE DATE IS AUGUST 1

Commissioner Mortensen Affirms His
Former Instructions for Con-
trol of the Business

The rules of Insurance Commissioner Mortensen of Wisconsin that marine companies must submit to a large measure of rate control in that state and pay premium taxes and fire department dues is causing considerable concern among marine people. The marine underwriters have always resisted to the utmost any attempt to subject their business to rating procedure. They have always maintained that they must have freedom of action and they have kept themselves aloof from rules and regulations applicable to the regular fire business.

Mr. Mortensen has always refused to approve the definition of marine writing powers for his state. It is understood that he takes the position no form of cover, with a few exceptions, is marine unless the element of transportation is prominently involved.

Sent Letter in March

On March 23 of this year Mr. Mortensen addressed the fire and marine companies, directing them to comply, in their marine operations, with certain regulatory and tax laws of Wisconsin. Following several conferences and further consideration of the matter, Mr. Mortensen now advises the companies that he has concluded his position is sound and that full compliance with the statutes will be insisted upon not later than Aug. 1.

There is considerable difference of opinion over the meaning of the Wisconsin laws in this respect. Instead of setting forth precisely and in some detail the forms of coverage to be regarded as marine, the Wisconsin statute governing the kinds of insurance that may be written, defines marine business in very general and abbreviated terms. Marine insurance is defined in Sec. 201.04; sub section 2, as follows: "Marine insurance. Vessels, freight, goods, monies, effects, and money loaned on bottomry and respondentia against the perils of the seas and other perils usually insured against by marine insurance, including the risks of inland navigation and transportation and whether included under other subsections of this section or not against loss or damage from any cause to property or in the use or income of property."

Last Clause Added

Incidentally the last clause in that section was added rather recently at the behest of the fire companies so as to give them the privilege of writing smoke damage insurance. Previously the New York department had refused to permit Wisconsin fire companies to write smoke damage in New York because the Wisconsin statute was deficient in this respect.

In his letter of March 23, Mr. Mortensen stated that under subsection 2 of Section 201.04 an insurance company can be formed to write marine insurance. An insurance company licensed to write marine may cover among other hazards loss

(CONTINUED ON PAGE 13)

Watch Reaction to Move of Pearl, General In Illinois

LITTLE DISTURBANCE FEARED

Organization Companies Feel the Two
Companies Will Not Cut Wide
Swath With Deviations

Representatives of organization companies are not greatly disturbed because of the fact that the General of Seattle and Pearl are cutting rates in Illinois 10 percent on dwellings and apartment buildings and on household goods. The Pearl is cutting 10 percent on dwellings and apartment buildings where the 80 percent coinsurance clause is used and is cutting 10 percent on household goods where a special prompt pay endorsement is used. This rate reduction applies in Illinois only outside of Cook county.

The General of Seattle followed with an announcement of a straight 10 percent rate reduction throughout the state, including Cook county, with no strings attached. The General of Seattle is not a member of the Chicago Board and is thus free to make the cut in Cook county. The Pearl is a member of the Chicago Board.

Coinsurance for Home Owner

So far as the Pearl is concerned, the organization companies feel that it will be difficult to explain and sell the coinsurance clause to the average home owner. They feel that the Pearl is not likely to make heavy inroads with this scheme. Certainly, they believe that very few home owners will be disposed to go to the trouble of canceling their insurance to take advantage of a 10 percent rate cut especially where coinsurance must be used. Furthermore they believe that a differential of 10 percent is not great enough to induce the average person to change agents.

The General of Seattle is not regarded as a serious contender in the dwelling class. It doesn't have an agency plant outside of Cook county and it is just undertaking to get established in the big city. Possibly the General will make a bid for an agency plant by offering this 10 percent concession in the rates.

Missouri Profits Recalled

The General was one of the non-board companies that profited greatly as a result of the Missouri rate litigation. During the time that the organization companies were collecting the 16½ percent rate increases in that state under an injunction, the General of Seattle went along at the old rates and got quite a lot of business. However, the General has never been a big contender in the dwelling line and the organization companies are not much concerned because of the step it has taken in Illinois.

The mutual fire companies that belong to the American Mutual Alliance have appointed a committee to study the Illinois situation and the experience with the view of taking uniform action on rates Sept. 1. Experience will be reviewed by territories. The committee may decree to put into effect the 10 percent reduction which Mr. Palmer desires or it may recommend revision on some other basis. The mutuals intend to keep out of the controversy be-

Anniversary Week Will Be Observed

Plans for the Convention of Na-
tional Association of Insurance
Agents

EXPECT BIG ATTENDANCE

Organization Will Have Rounded Out
Forty Years of Continuous Exist-
ence in September

NEW YORK, N. Y., July 15.—"Life Begins at Forty" is the theme selected for the annual convention of the National Association of Insurance Agents, which meets at Pittsburgh the week of Sept. 28, and which from the number of reservations made thus far promises to equal and probably surpass in point of attendance any previous gathering in the 40 years of the organization's existence.

Aside from the large number of agents domiciled in Pittsburgh and territory contiguous thereto, the city is central to a highly populated section embracing a large association membership. The majority of members may be counted upon to be on hand for the gathering. Headquarters of the meeting will be the William Penn Hotel, where every facility for the comfortable accommodation of delegates is assured.

Advance Program Announced

The tentative program for the convention, as thus far arranged, provides for a get-together-dinner at which President K. H. Bair will preside. Secretary W. H. Bennett is to present the report of the administration the following day, while group and general sessions are scheduled for each of the succeeding days, concluding Oct. 2.

Significance of the Slogan

The theme, "Life Begins at Forty," is significant of the 40th anniversary of the National Association of Insurance Agents, the original gathering being held in Chicago, Sept. 30, 1896. Therefore, a feature will be made of the special occasion. There are two surviving agents and by coincidence they both reside in Missouri in its two largest cities. George D. Markham of W. H. Markham & Co., St. Louis, is practically retired from business. He was one of the forceful characters that originated the association and was one of its early presidents. John A. Bryant of Kansas City, who retired from business, is residing in Kansas City, Mo. President Bair is planning to have both men present and they will be featured at one of the sessions.

tween Mr. Palmer and the organization stock companies.

The mutuals responded to Mr. Palmer's first order with a promise to cut rates 10 percent beginning Sept. 1.

Attorney General Sues for Missouri Code Injunction

HEARING IS SET FOR AUG. 5

Wholesale Allegations of Fraud in Initiative Petitions Made—Technical Defect Found

JEFFERSON CITY, MO., July 15.—Circuit Judge Sevier has issued a temporary restraining order stopping Secretary of State Brown from certifying for publication the proposed 100,000 word insurance code amendment. He set Aug. 5 for hearing after Attorney General McKittrick filed a petition for a permanent injunction.

Mr. McKittrick made wholesale allegations of fraud in his petition, challenging each of the petitions filed from 10 congressional districts.

It is now too late for the circulation of new petitions. So if the court should issue such an injunction the taxpayers would be saved the \$275,000 newspaper printing bill and other expenses incident to the state-wide vote on the bill.

Technical Defect Found

A technical defect has also been found in the initiative petitions. The state constitution provides that the style of all bills submitted under the initiative provisions shall read: "Be it enacted by the people of the state of Missouri." But the bill as presented to the secretary of state's office reads: "Be it enacted by the general assembly of the state of Missouri." If the courts decide the constitutional provision is mandatory, the code measure would be invalidated by this defect. But if the courts should hold that it is merely directory, the act would not be invalidated.

Superintendent O'Malley has declared his opposition to the proposed new code and has called upon the leaders of the Democratic party to repudiate any of its members involved in the plan to place the bill on the ballot at the November election. He termed the proposed \$275,000 treasury raid "a damnable outrage."

AGENTS OPPOSE MEASURE

KANSAS CITY, July 15.—Agents here generally appear to be opposed to the new insurance code, for which initiative petitions have been filed. A letter was mailed members of the Insurance Agents Association over the signatures of Joseph J. McGee, chairman of the Missouri Insurance Council for this end of the state; H. J. Hudson, Central Surety; Harry Minty of T. H. Mastin & Co. and W. S. Mann of R. B. Jones & Sons, calling for financial assistance for the council.

The letter also warned agents of the danger of an insurance code of 100,000 words being submitted to voters, who are certainly not likely to read it before voting on it.

"If this should carry," the letter continued, "there is a grave question of whether it could even be amended by an act of the legislature. The petition consists of over 100,000 words, and no one will claim authorship. It is a mysterious stranger and it is dangerous to have laws which will govern our business passed by a vote of the people, most of whom will not or cannot read and understand a bill that contains 100,000 words."

Maine Compulsory Hearing

An open hearing on compulsory automobile insurance will be held by a special committee of the Maine legislature at Augusta July 24. Particular study will be devoted to the experience of Massachusetts, the only state having a compulsory law. The committee is to report its findings and recommendations to the 1937 legislature.

Richard L. Hill of the Oscar Hill & Son Agency, Wichita, was married there to Miss Aileen St. Claire Brown of Wichita.

Underwriters Adjusting Executive Dies, Aged 52



CLYDE W. SEANOR

Clyde W. Seanor of Chicago, assistant general manager of the Underwriters Adjusting, died in the Northwestern hospital, Minneapolis, immediately following an abdominal operation. He suffered an attack just recently while attending the annual outing of the Minnesota Blue Goose at Glenwood and after returning to Chicago went to Minneapolis, his former home, for observation. The operation that proved fatal was finally decided upon. He was 52 years of age.

Funeral services were held in Indiana, Pa., Tuesday of this week and were attended by General Manager T. A. Pettigrew, of the Underwriters Adjusting, and E. E. Heasley, manager at Cleveland.

Mr. Seanor was born in Indiana, Pa., graduated from Washington & Jefferson University where he was a star football player, was connected with a glove manufacturing concern in Johnstown, N. Y., from 1909-11 and with another manufacturing concern at Grinnell, Ia., until 1914. For the next five years he served as deputy state fire marshal of Pennsylvania and in 1919 joined the Under-

Arm to End the Insurance Political Hookup in Illinois

MEETING IS HELD IN CHICAGO

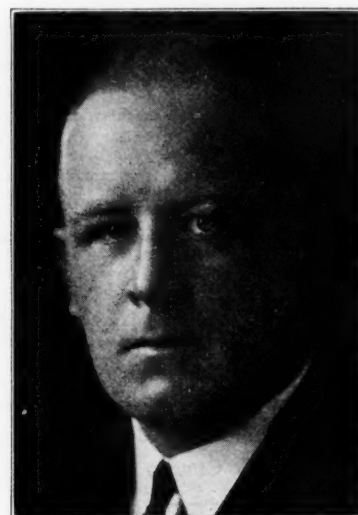
Drive Will Be Made to Do Away with Placing of All Business with Favored Offices

George W. Blossom, Jr., of Fred S. James & Co. of Chicago presided over a gathering of prominent insurance people Tuesday where the matter of marshalling the insurance forces of the city in the political campaign was discussed. Those behind the movement desire to have the insurance industry play such an important part in the Republican campaign that, if victorious, the Republican state, county and city officials will be forced to recognize legitimate insurance demands. The present Democratic administration in the state and city of Chicago has caused a large volume of insurance business, which has been subject to direct and indirect political control, to be placed with political favorites.

For instance, the state auditor instituted the plan of having all the insurance business of state banks that are in receivership placed with one office. At about the same time this favored office obtained practically all of the insurance business of the Chicago Title & Trust Co., and the report has been persistent that this move was not without its political implications. Then the political agency of Horan & O'Brien of Chicago has had pretty much of a monopoly of Chicago political business. Lately there has been a division of the insurance political spoils with other offices, notably with an agency set up by John J.

writers Adjusting and was assigned to the Minneapolis staff. Later he was appointed manager there and in 1929 was brought into the Chicago office as assistant general manager. He was recently elected president of the Chicago Alumni Association of Washington and Jefferson. A brother, Beryl Seanor, is connected with the Equitable Life of New York in Indiana, Pa. There are two other brothers and four sisters that survive, in addition to Mrs. Seanor. He was well known in the business and was a popular figure.

25-Year Man



C. W. OHLSEN

C. W. Ohlsen last Saturday completed 25 years in the service of the Sun. He has been the western manager for something over two years. Previously for some years he served as assistant manager and before that was in the Illinois field. He is one of the younger generation of western managers who is developing strength.

Touhy, trustee of the sanitary district of Chicago.

Most of the non-political insurance operators in the city and state have been bitter because of this politico-insurance hookup. The Illinois Association of Insurance Agents at its recent semi-annual meeting in Decatur adopted a strong resolution denouncing the practice and urging members to take an active part in the political campaign and obtain from candidates pledges to leave the insurance road open if elected.

Among those who met with Mr. Blossom were: Alvin S. Keys of Springfield, Ill., former president of the Illinois Association of Insurance Agents, P. B. Hosmer of R. W. Hosmer & Co., Chicago, J. S. Glidden, manager Chicago Board, Lyman Drake, Critchell, Miller, Whitney & Barbour.

Death of Stephen K. Hatfield

Stephen K. Hatfield, head of the Hatfield & Co. agency of Peoria, Ill., died at the residence of his daughter, Mrs. J. T. Oliver, Saturday. Mr. Oliver is a member of the Hatfield firm. Mr. Hatfield in days gone by was a field man doing special agency and adjusting work for the American and Security of Connecticut. In his day before the adjusting bureaus were used so extensively he represented many companies on important losses. He participated in the San Francisco adjustments in 1906 and also acted as adjuster at the time of the Murreboro, Ill., tornado and also the St. Louis storm.

He was born at Delavan, Ill., Oct. 31, 1861. He resided in Peoria since 1884. He formed a partnership with the late C. A. Cummings in 1886 to carry on insurance and later established his own firm. Mrs. Hatfield and his daughter survive.

Death of Bloomington, Ind., Man

Berton E. Curry, Jr., of the B. E. Curry Agency of Bloomington, Ind., died last week at the age of 24. He was found dead in the basement of his home one mile north of the city.

New Louisiana Law

Governor Leche of Louisiana has signed a bill placing upon the insurer the responsibility of issuing a fire policy in the name of the right owner.

THE WEEK IN INSURANCE

National Association of Insurance Agents will feature its 40th anniversary at the coming Pittsburgh convention. **Page 3**

Insurance Commissioner Mortensen of Wisconsin orders marine companies, beginning Aug. 1, to comply with the rating and other statutes governing fire insurance in Wisconsin. **Page 3**

Organization companies watch reaction to moves of Pearl and General in Illinois rate situation. **Page 3**

Important fire insurance rule changes are made effective in Ohio and Illinois this week. **Page 3**

Movement is launched to end placing of insurance on political basis in Illinois. **Page 4**

Three current trends noticed at the convention of New England agents at Manchester, Vt., last week. **Page 5**

Suit to enjoin submission of Missouri insurance code filed by attorney general. Temporary restraining order issued. **Page 4**

General of Seattle holds international convention of its agents. **Page 16**

Pearl Assurance group issues a bulletin satirizing the Western Underwriters Association. **Page 6**

Background of the controversy between Insurance Commissioner Read and S. W. Philpott, secretary of the Oklahoma Insurance Board, is reviewed. **Page 29**

General of Seattle wins on the first round in South Dakota in its rate deviation filing. **Page 11**

Logue Bros. & Co. of Pittsburgh round out 60 years as an agency. **Page 18**

Missouri supreme court hands down a decision in the case of the Federal Automobile Insurance of Indiana, a reciprocal, where attempt was made to levy assessment on subscribers. **Page 35**

Liability of municipalities for accidental death, bodily injury and property damage is now an important question. **Page 28**

Table showing liability suits in proportion to earned automobile premiums of casualty companies for three years ending Dec. 31 last. **Page 28**

Insurance company representatives will confer with officials of the Motor Carriers Bureau of the Interstate Commerce Commission regarding proposed forms, July 17. **Page 28**

J. W. Randall, vice-president of the Travelers, gave important talk before the New England agents. **Page 27**

Surety Acquisition Cost Conference will hold a meeting in New York City next week to discuss the proposed Chicago plan. **Page 27**

Details are given of plan submitted by mutuals as substitute for retrospective rating plan for compensation. **Page 27**

Row of Agents and Brokers in Chicago Acrimonious

SERVICE CHARGE NEW ISSUE

Brokers Association Intends Now to Fight Its Battle with Chicago Board in Newspapers

Relations between the Chicago Board and Illinois Brokers Association are strained because of the board failing to meet the brokers' demand for equal voice in matters affecting brokers. The brokers' committee headed by President R. M. Redmond met Manager J. S. Glidden of the board, who presented a compromise proposal that the brokers rejected. Mr. Glidden suggested that a conference committee be formed through which brokers' complaints and suggestions on board action could clear. Mr. Redmond stated this in no wise met the brokers' "minimum requirements," nor would the brokers be properly represented in the board.

There is now, it appears, possibility of serious difficulties between the board and the brokers organization. The brokers argue that conditions have changed and whereas in the past most of the fire business was produced by agents, the broker is the one who now has the business.

"We feel," Mr. Redmond stated, "that the insurance buyers whom we represent are entitled to an explanation on certain matters that are vital to them. To that end we have arranged a series of articles for the daily papers and will in all probability further acquaint the public through other mediums."

Stubbornness Is Alleged

"We have been very patient for a long time in the hope that some of the more progressive members of the Chicago Board would be able to persuade some of the stubborn and selfish members that a full time insurance broker had as much right to a voice in the rule and rate making organization as has the agent. It was just a hope, for long ago we realized that there were in the Chicago Board some who had convinced themselves that they had some inherent right alone to make rules, rates and regulations for the guidance of all who entered the business and the public that pays the premiums. Such a misconception on the part of these members must and will be changed, regardless of the extreme to which our association may have to go. To say that the buyers of insurance through their brokers shall have no voice whatever in the operation of the board, is not to the public interest."

Hit the Service Charge

The opening gun in the brokers' campaign for equal representation is the dissemination of a pamphlet prepared 60 days ago relating to the \$1 service charge on small policies, but held up during negotiations with the board. Mr. Redmond said one of the first actions contemplated if brokers were permitted a vote in the board was to eliminate this charge. "Our duty and obligation as brokers," he said, "is to oppose this charge as a matter of principle. It discriminates against the one who can least afford to pay it—the buyer of a small amount of insurance to cover a few hun-

(CONTINUED ON PAGE 12)

National Board Gives Loss for First 6 Months

NEW YORK, July 15.—Fire losses in June are estimated by the National Board to be \$20,407,485. That is 5 percent below the May figure but is about 10 percent above the loss in June, 1935, of \$18,499,675. In June, 1934, losses were \$20,005,692.

For the first six months of this year total losses were \$155,490,932, as compared with \$136,460,641 in 1935 and \$158,064,520 in 1934.

Many Vincent Gallaghers Provide Amusing Mixups

The popularity of "Vincent" as a given name for various "Gallaghers" throughout the country has developed several amusing experiences for Vincent L. Gallagher, manager western department of the Pearl in Chicago. All told Mr. Gallagher can recall eight different Gallaghers with the same name as himself, two of them being in the insurance business. An amusing incident developed in connection with Vincent Gallagher, associate manager of the Standard Accident in New York City, who at one time lived in New Rochelle, N. Y., when Mr. Gallagher of the Pearl resided there. He relates that their phone calls and mail were constantly being mixed up and that one time, when he left a dozen photographic prints at a shop to be developed, he received in return a dozen pictures of the Standard Accident's Gallagher.

Another Vincent Gallagher was at one time a local agent in Texas. Mr. Gallagher wrote to him, informing him of the similarity in their names, and he was later paid a visit by the brother of the Texas agent. Mr. Gallagher also recalled having at one time read of a Vincent Gallagher in the Bronx, N. Y., who had been arrested for beating his wife. A Vincent Gallagher who resided in Westchester county, N. Y., was a noted athlete and captain of the crew at Annapolis naval academy a few years ago. A Dr. Vincent Gallagher resides in Brooklyn and has a son, Vincent Gallagher, Jr., who is associated with the Guarantee Trust Company, New York City. A prominent attorney in Chicago also has the same name.

Death of J. Park Jackson

J. Park Jackson, president of the agency of Gelvin, Jackson & Starr of Meadville, Pa., died this week. The agency was established in 1871 and is the largest in western Pennsylvania outside of Pittsburgh. Mr. Jackson had been an active member of the Pennsylvania Association of Insurance Agents and the Pennsylvania Insurance Federation.

Raye Sheldermine and S. T. Leverett have just opened a new agency at 205 Taylor Arcade, St. Petersburg, Fla.

Current Trends Revealed at New England Meeting

By RALPH E. RICHMAN

Three current trends were much in evidence at the New England agents convention at Manchester, Vt., last week. There was discussion and recognition of the desirability that all along the line insurance should come forward, at earlier stages in the process of change, with positive and constructive solutions which might produce forehanded success. Now the record shows defensive failure. Then there was acknowledgement that principles of local autonomy in the organization handling of agency problems are being abandoned by force of necessity. And finally the voice of the buyer is being increasingly heard in the public assembly of agents.

Without regard to the merits of any particular controversies in the business, there is growing recognition and public acknowledgement that the insurance business might fare better if it could march forward with a united front ready to present definite constructive programs which would, in themselves, meet public criticism, rather than depend almost solely upon combating programs brought forward by the critics themselves. Fundamentally, this is the same criticism which is being directed toward business generally.

Viewpoint Is Affirmed

It is a noteworthy as well as healthful sign that those inside business itself are expressing this viewpoint. When all parties, who must live together, approach a problem with a common and real desire to find a solution, there is always hope for a sane and workable operating plan. Nearly every address at Manchester, directly or impliedly, stated that there had been too slow an adjustment by insurance to changing facts.

Breaking down of the theory of local dealings with the insurance business was emphasized by President Bair of the National Association of Insurance Agents, who said frankly the association had been compelled to abandon its old principle of permitting local agency problems to be dealt with locally when con-

fronted with the HOLC and long haul trucks. There was only the choice of dealing with the problem nationally and taking something, or not dealing with it at all and taking nothing.

Vice-president J. W. Randall of Travelers did not find a solution for workmen's compensation until he found the retrospective plan, which could be applied soundly on the interstate basis, obliterating intrastate regulations and hampering restrictions. Here again the insurance business is feeling the same impact of relentless economic forces which compel acquiescence in new solutions no matter how far these solutions call for giving up fond and cherished methods and ideals of the past.

The buyers' voice at Manchester was clear and critical. It agreed with the best thought inside the business itself, once expressed definitely by an organization speaker at the same meeting, that the basic values in insurance have not been well sold by insurance producers. But there was not sufficient recognition in the critic's discussion of the fact that except for a few professional buyers, the agent has an extremely difficult task in obtaining enough time to handle the bare details of single transactions without becoming an instructor of insurance during his business visit.

Survey and Selection Method

This does not mean that much may not be done in the direction of more selling of the basic values of insurance, but it will have to be done largely by use of the survey method and the selection method, tied up to practical selling, rather than by academic discussions. Buyers are not only speaking of, but they are watching, agents critically. They are also watching programs at agents' meetings, and almost without exception, they comment on the lack of papers and discussions which go directly to methods of giving better service to the buyers. Is that a suggestion for the program makers?

F. S. Dauwalter, director of the Agency-Stock Fire Insurance Office, repeated in his address much of what he had said at the New York meeting in May. He repeated his formula for measuring mutual and stock company securities, which is to obtain the ratio of the security offered: Unearned premium reserve plus policyholder's surplus, less real estate and mortgages to net premiums written.

Mutual Competition

He reviewed again the experience of the mutual and stock companies in the San Francisco conflagration but dwelt more at length upon meeting competition of the associated factory mutuals. He said these mutuals were now absorbing 6 percent of premiums compared with 4 percent a few years ago, an increase of 50 percent. He advised meeting competition by placing the policyholder in the picture as an investor and asking him to consider the safety and certainty of his return. Mr. Dauwalter emphasized the excess of dividends over operating surplus in recent years and suggested that this could not go on indefinitely.

Company Officials Present

Among home office men present were H. P. Dunham, Vice-president American Surety; J. F. Crafts, assistant manager Fireman's Fund, Boston; J. L. Ivison and Ray Dreher, Boston and Old Colony; C. A. Borg, H. B. Smith, R. F. Van Vranken and William Quaid, Home of New York; LeRoy T. Brown, secretary, Frank Ennis, advertising manager, America Fore; P. J. Berry, vice-presi-

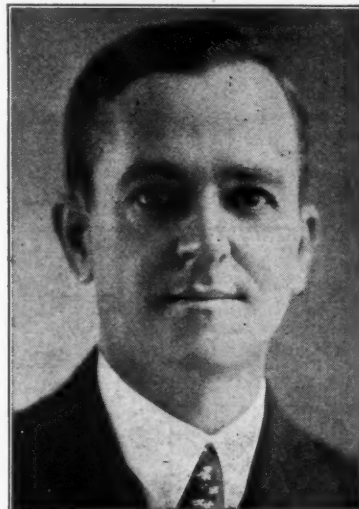
(CONTINUED ON PAGE 12)

Clash in Oklahoma Board



S. W. PHILPOTT

In the Oklahoma State Insurance Board there has been considerable friction in recent months, with Insurance Commissioner Jess G. Read and S. W. Philpott clashing on various points. Mr. Read, who is secretary of the National Association of Insurance Commission-



JESS G. READ

ers, is an elected official in his state, whereas Mr. Philpott is an appointive member of the insurance board. The third member is State Fire Marshal Thieme. Apparently he is in the middle. An article reviewing the controversy appears on page 29.

AS SEEN FROM CHICAGO

SPRINKLERED RISK MUTUALS

The office of the Sprinklered Risk Mutuals in Chicago that has been maintained at 4750 Sheridan Road has been discontinued and this department is now conducted from the office of the Improved Risk Mutuals in New York City. The complexion of the two groups is identical. The Sprinklered Risk Mutuals grew out of the old reciprocal of which

the late A. T. Rector was attorney-in-fact. It was called the Sprinklered Risk Underwriters. When that concern quit there were four mutuals that took over the business and gradually the syndicate was enlarged until it became identical with the membership of the Improved Risk Mutuals. The Sprinklered Risk Mutuals seeks the higher class sprinklered business in the central western

territory. Mark Rector, son of the founder of the Sprinklered Risk Underwriters, acted as manager of the new syndicate and C. E. Johnson, who was formerly connected with the Fidelity-Phenix western department under C. R. Street was assistant manager. Now this part of the business is conducted under the management of Fred A. Rye in New York. The policyholders with high class sprinklered risks receive a larger dividend than other classifications.

TRAVELERS FIRE CHANGE

Louis P. Cain, Jr., has resigned as Cook county special agent for the

Travelers Fire to enter business on his own account. He will be located in the Travelers branch in Chicago. He is a son of Louis P. Cain, who is a broker identified with the Rockwood Company of Chicago.

Mr. Cain started with the Travelers Fire the day it opened for business in Chicago. He and Arthur Raymond, Cook county manager, were the first two employees of the Travelers Fire in that city. For six years he acted as counter man in the fire department and for the past five years has been Cook county special agent. He went with the Travelers after finishing at the University of Chicago.

For the time being Arthur Corley will handle the Cook county field alone for the Travelers Fire. He has been in Chicago for the past six months as special agent, previously having been located in Milwaukee as an engineer for the Travelers Fire.

* * *

AWARD ARMOUR SCHOLARSHIPS

Scholarships for the four-year fire protection engineering course at Armour Institute, Chicago, given annually by the Western Actuarial Bureau, Chicago, have been awarded to the following men for 1936: Frank W. Flavin, Eugene H. Worcester, LeRoy D. Downing, C. W. De Ment, Robert B. Maxwell and Roger K. Smith, all of Chicago; William E. Seeley, Freeport, and James P. Ransel, Gary. The awards are based on scholarship, personality and general adaptability to the work, those taking the course being required to give two months each summer to work in the Actuarial Bureau and to devote three years to the bureau after graduation. The new candidates will begin the course in September and will be graduated in 1940.

Among the scholarship winners are several from insurance families. Mr. Downing is a son of the late H. G. Downing, former examiner in the western department of the National of Hartford, who died recently. Mr. Seely is the son of W. A. Seely, field superintendent in the Freeport, Ill., office of the Crum & Forster group. Mr. Maxwell is a nephew of W. K. Maxwell, vice-president of the Hanover in charge of the western department at Chicago, while Mr. Ransel is a nephew of Paul Haid, president Insurance Executives Association.

* * *

KIRK TAKES UP DUTIES

W. R. Kirk, newly appointed agency superintendent of the western department of the North British at Chicago, has taken up his new duties and has his office with the field men's department of the company in the Insurance Exchange building there. Mr. Kirk was formerly state agent for the North British at Kansas City and was prominent in various activities there. He served four terms as secretary of the Kansas Fire Prevention Association, one year as president, and also served as president Kansas Field Club.

In his new position Mr. Kirk will have charge of 10 mid-western states.

* * *

INDUSTRIAL PLANTS MORE ACTIVE

Inspection bureaus and companies state that more requests are being received from companies for inspection of industrial plants than for some years past. This indicates that these enterprises are becoming more active and taking on insurance.

* * *

PEARL ISSUES A BULLETIN

The Pearl has caused something of a sensation by getting out a bulletin in format similar to those that were issued for 16 weeks by the Western Underwriters Association in the pro-stock bulletin campaign.

The Pearl became incensed when the Western Underwriters Association issued its bulletin No. 12. This bulletin discussed the question of nonaffiliated stock companies. In the bulletin, no names were mentioned, but there was enclosed an editorial from the "Casualty



Courtesy E. L. Heitkamp, Sports Writer.

Way Back When

the Eckfords and the Atlantics of Brooklyn played on the Elysian Field, Hoboken, N. J., in 1862.

This Aquatint by R. Varin, published by Arthur Ackermann and Son, Inc., is interesting because it depicts the period when our Company was founded.

Like every worthy institution established at that time Millers National found its place in the nation's life, and has grown steadily through the years. Through the march of time our Company has become one of the strongest fire insurance companies in business.

Millers National is proud to have had its roots started back in those early days—proud of its fine old traditions grown out of nearly three quarters of a century of progress.

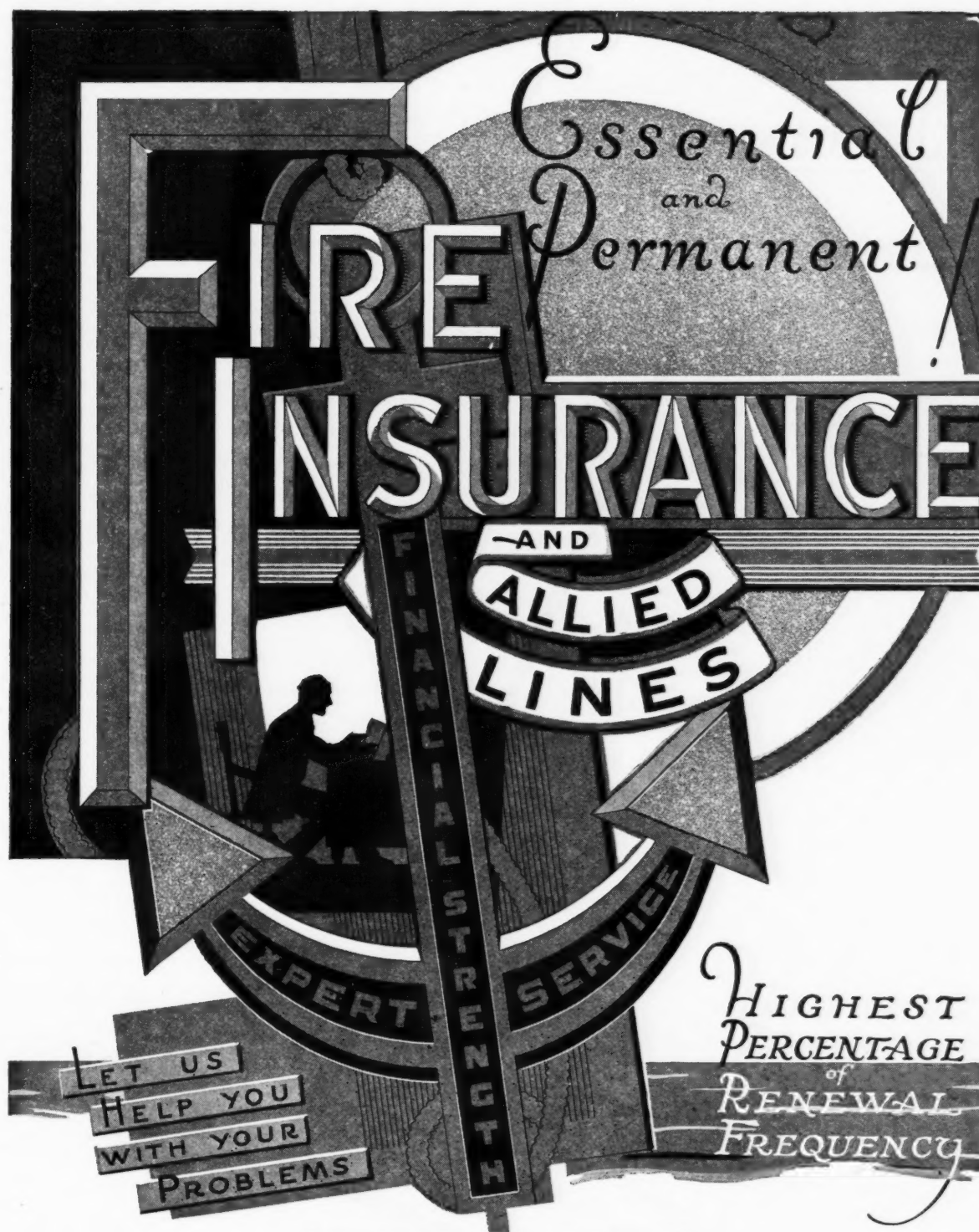
1865



1936

MILLERS NATIONAL INSURANCE COMPANY • CHICAGO

Seventy-one Years of Service



COMMERCIAL UNION GROUP

COMMERCIAL UNION ASSURANCE COMPANY, LTD.
AMERICAN CENTRAL INSURANCE COMPANY
COLUMBIA CASUALTY COMPANY
THE PALATINE INSURANCE COMPANY, LTD.

THE CALIFORNIA INSURANCE COMPANY

THE OCEAN ACCIDENT & GUARANTEE CORPORATION, LTD.
THE BRITISH GENERAL INSURANCE COMPANY, LTD.
UNION ASSURANCE SOCIETY, LIMITED

THE COMMERCIAL UNION FIRE INSURANCE COMPANY

NEW YORK

CHICAGO

ATLANTA

SAN FRANCISCO

Insuror" which discussed some aspects of the Pearl competition and mentioned the Pearl by name. The Pearl management felt that by enclosing this editorial, the Western Underwriters Association was aiming directly at the Pearl and that all of its comments in the bulletin could be construed to refer to the Pearl.

Claim Personalities Avoided

The W. U. A. on the other hand declares its bulletins discussed principles and not personalities. Its objective was to keep aloof from company politics and did not desire to attack any corporation. The Pearl's pamphlet is called "Pearl-

American Organization Bulletin." It is prepared in facetious style and observers were able to detect the fine Italian hand of Young E. Allison, Jr., agency assistant in the western department.

The Pearl states that it is impelled to answer the W.U.A. bulletin on the theory that silence might be construed as assent. The Pearl apparently took offense at the use in the W.U.A. bulletin of the words "chiselers" and "pirates." These words were used to characterize some practices of non-affiliated companies.

The Pearl states that several of the W.U.A. members were formerly non-affiliates and "did not join the unaffili-

ated ranks until it suited their own individual interests to do so."

The Pearl states that in the five states managed by its western department, it subscribes to the state authorized rating bureaus in four. In Illinois, there is no state authorized rating bureau, but it does belong to the Chicago Board.

Wants Style Uncramped

"Now," the bulletin argues, "exactly what room is left there for an association which must either hold itself beyond or above the law or else must merely duplicate what the law already provides? And what value might such an association have for a progressive,

forward looking company organization unwilling to have its style cramped in serving the agent and the public?"

"The Pearl," according to the bulletin, "being directly responsible for results, prefers to manage its own business in its own way. The application of sound principles to specific problems calls for more thought and energy, and less golf than merely turning on the bureaucratic machinery."

The bulletin contends that membership in an association does not necessarily mean consistency on the part of the association member. Without mentioning names, it refers to the fact that the Home of New York, which belongs to W.U.A., sometime ago resigned from the National Board and to the fact that the Crum & Forster group, which belongs to the W.U.A., has never joined the Insurance Executives Association. In the Inland Marine Underwriters Association, to which all W.U.A. companies belong and to which the Pearl also belongs, only about half of the inland marine business is regulated. "The other half," the bulletin states, "is left untouched, because the members believe that course is to their own individual interest."

Blazing the Trail

Wallace Rogers, editor of the Western Underwriters Association bulletins, tore a leaf from "Liberty Magazine" and in italics gave the reading time of each W.U.A. bulletin. Mr. Allison emulates Mr. Rogers and inserts a note in the Pearl bulletin: "Reading time: About 15 not uninteresting minutes."

* * *

CARRIERS BEGIN TO REPORT TOTALS

First reports on Chicago fire premiums for the fiscal year ended June 30 are being received by the city controller's office. Figures for only seven companies have been received. In years past several months have been required for all the figures to trickle in, the final tabulation on June 30, 1935, figures not being available until February, 1936. However, the present premium tax collection is more aggressive and returns from most companies probably will have been received by the late fall. Figures received so far are:

	1936	1935	1934
Northw. Mut.	\$19,201	\$15,050	\$14,404
*Merchants, N. Y.	130,218	169,846	165,928
*St. of Pa.	21,746	20,523	28,283
*United Firemen's	71,167	59,913	107,798
Graphic Arts M.	1,556	1,751	2,109
West. & South.	9,734	8,081	14,412
Pacific Nat.	38,614	17,481

*Incomplete.

* * *

CHIEF McAULIFFE'S CONDITION

Chief F. C. McAuliffe of the Chicago Fire Insurance Patrol, who has been critically ill in Presbyterian Hospital in that city, shows some improvement. At an outing of the Chicago Board, June 17, he swallowed part of the wishbone of a chicken which finally lodged in his intestines. It was necessary to have an operation to get it out. Chief McAuliffe was taken home and had a relapse, resulting in his being taken again to the hospital where during the last week or so he has been at a low ebb.

* * *

Robert M. Hill, adjuster for the companies in Detroit, was a visitor in Chicago this week. He formerly was in the loss department of Rollins-Burdick-Hunter Co. of Chicago.

* * *

Paul Hald of New York City, president Insurance Executives Association, was in Chicago this week.

* * *

Bradley W. Davies, who has been a contract agent in the Chicago office of the Travelers for several years, is leaving that city to locate in Texas and Arizona for the benefit of Mrs. Davies' health.

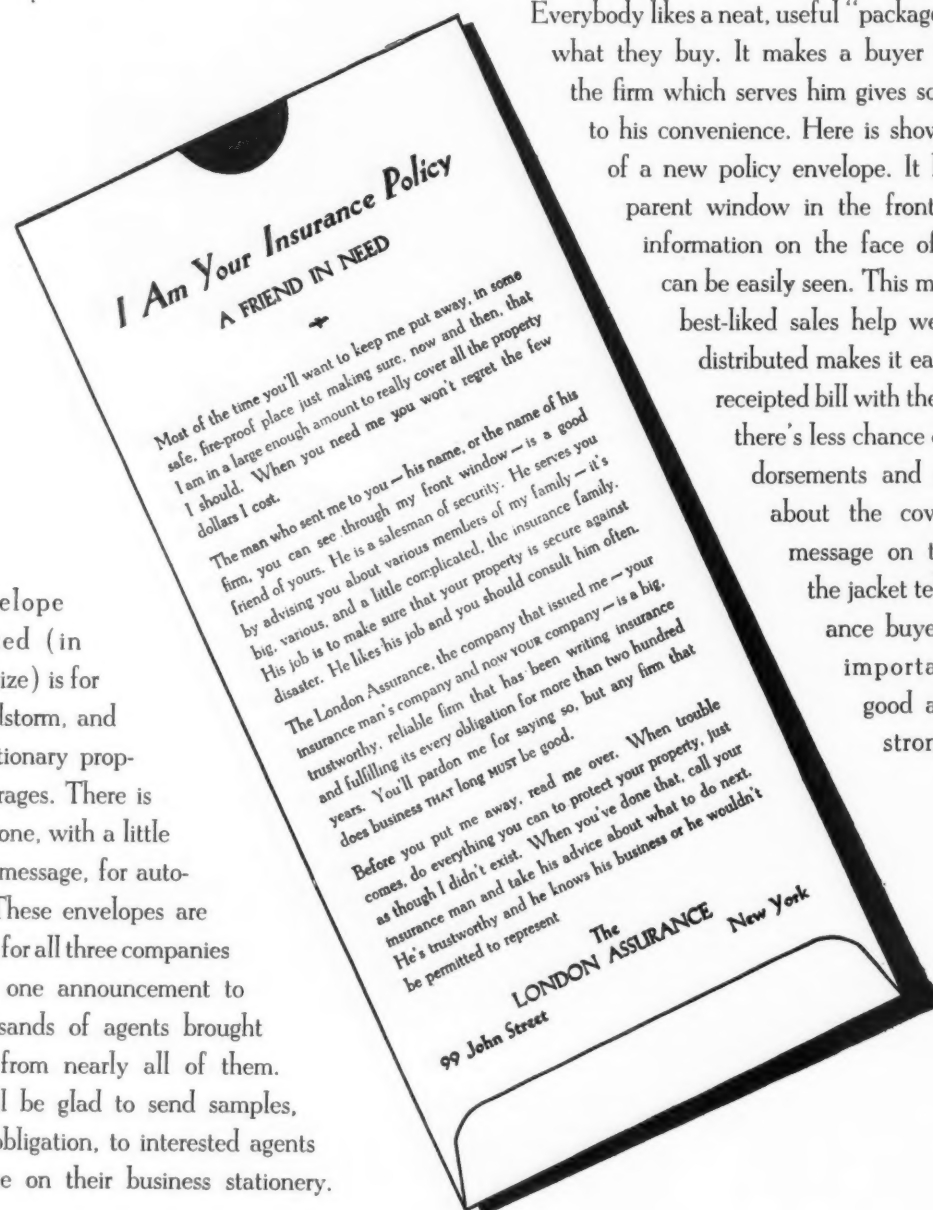
* * *

H. L. Buswell of the Lunde & Buswell agency of Chicago is recuperating at his home in that city after having undergone an operation for removal of appendix in the Grant Hospital. He is expected to return to his office in a few days.

Sales Help of the Year!

Everybody likes a neat, useful "package" enclosing what they buy. It makes a buyer realize that the firm which serves him gives some thought to his convenience. Here is shown the back of a new policy envelope. It has a transparent window in the front so all the information on the face of the policy can be easily seen. This most popular, best-liked sales help we have ever distributed makes it easy to keep a receipted bill with the policy, and there's less chance of losing endorsements and memoranda about the coverage. The message on the back of the jacket tells the insurance buyer about the importance of a good agent and a strong company.

The envelope illustrated (in reduced size) is for fire, windstorm, and other stationary property coverages. There is a similar one, with a little different message, for automobile. These envelopes are available for all three companies and just one announcement to our thousands of agents brought requests from nearly all of them. We shall be glad to send samples, without obligation, to interested agents who write on their business stationery.



The
LONDON ASSURANCE

The
MANHATTAN
Fire and Marine Insurance Company

The
UNION FIRE
Accident and General Insurance Company

Ninety Nine John Street New York

SOUND STOCK COMPANY INDEMNITY

The age and reputation of an Insurance Company coupled with the character of its management are factors, which those entrusted with the property interests of others, take into consideration when insurance protection is selected with discrimination.

STATEMENTS OF DECEMBER 31, 1935

	Capital	Assets	Liabilities	Surplus to Policyholders
*UNITED STATES FIRE INSURANCE CO..... Organized 1824	\$2,000,000	\$30,122,242	\$11,609,515	\$18,512,727
*THE NORTH RIVER INSURANCE CO..... Organized 1822	2,000,000	21,495,010	6,879,512	14,615,498
*WESTCHESTER FIRE INSURANCE CO..... Organized 1837	1,000,000	17,865,830	7,588,755	10,277,075
THE ALLEMANNIA FIRE INS. CO. OF PITTSBURGH Organized 1868	1,200,000	5,190,467	1,735,949	3,454,518
*RICHMOND INSURANCE CO..... Organized 1907	1,000,000	4,521,016	1,397,070	3,123,946
WESTERN ASSURANCE CO., U. S. BRANCH Incorporated 1851	400,000**	4,258,797	1,676,710	2,582,087
BRITISH AMERICA ASSURANCE CO. U. S. BRANCH Incorporated 1833	200,000**	2,735,998	915,621	1,820,377
SOUTHERN FIRE INSURANCE CO., DURHAM, N. C. Incorporated 1923	200,000	1,426,317	421,688	1,004,629

*Company operates under Section 130-1-2 of the New York Insurance Law.

**Statutory Deposit—New York Insurance Law.

CRUM & FORSTER MANAGERS

110 WILLIAM ST.

NEW YORK

WESTERN DEPT.
FREEPORT, ILL.

PACIFIC DEPT.
SAN FRANCISCO

SOUTHERN DEPT.
ATLANTA

ALLEGHENY DEPT.
PITTSBURGH

CAROLINAS DEPT.
DURHAM, N. C.

"Most Fires Start Inside— Damaging Chiefly the Furnishings"

Alliance national advertising for July clearly shows householders *why* they need a complete inventory of their home furnishings; explains that it is wise to adjust their Residence Contents Insurance accordingly and urges them to "ASK THE ALLIANCE AGENT."

THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA



Head Office: 1600 Arch St., Philadelphia
Chicago Office: 209 West Jackson Boulevard
San Francisco Office: 231 Sansome St.

NEWS OF FIELD MEN

Searle Head of Kansas Pond

Other Field Meetings in the State Were Held—Blue Goose Officers Chosen

H. S. Searle, Crum & Forster, was elected most loyal gander of the Kansas Blue Goose at the annual meeting in Topeka. Other officers elected were: Joe F. Springer, Topeka, Western Adjustment, supervisor; W. F. Ehret, Wichita, America Fore, custodian; Clad Marshall, Springfield F. & M., guardian; J. S. Jensen, Fire Association, keeper, and Curtman Maupin, Home, wielder. L. H. Ballard, Kansas Inspection Bureau, retiring most loyal gander, was elected a delegate to the grand nest meeting in Oklahoma City. H. S. Searle will be the other delegate. Arrangements were made to send all the officers of the Kansas pond to the grand nest meeting this fall where they will exemplify the initiatory degree.

The members of the executive committee of the Kansas Fire Prevention Association held a luncheon meeting which was attended by the members of their scout committee in Topeka. J. S. Jensen of the Fire Association is president and J. G. Updegraff of the Royal is secretary.

The Kansas Fire Underwriters Association held a meeting in Topeka. N. K. Nelson, Great American, is president and Geo. Shank of the Fireman's Fund, secretary.

Hallberg in Local Field

Carl A. Hallberg of Detroit, state agent for the Caledonian group, has resigned, desiring to return to Muskegon, Mich., and again engage in the local business. He will be associated with Stanley J. Risk of the Risk Insurance Agency. Mr. Hallberg and the Caledonian people are on close terms and Manager R. R. Clark characterizes him as a "sterling type of man."

Johnson Membership Chairman

Walter Plangman, American, N. J., Cleveland, most loyal gander of the Ohio Blue Goose, has appointed C. E. Johnson, Concordia, Columbus, chairman of the membership committee. The Ohio pond is looking forward to 1939 when it will be host to the grand nest meeting and R. W. Hukill, Fireman's Fund, Norwood, will become most loyal grand gander.

South Texas Pond Elects

The South Texas Blue Goose has elected these officers: J. F. Nowlin, National of Hartford, most loyal gander; R. Allen Hickman, Phoenix of London, supervisor; D. W. Florence, Commercial Union, custodian; J. G. Levey, T. A. Manning & Sons, guardian; C. C. Braud, Springfield, keeper, and Roy Montgomery, Phoenix of Hartford, wielder. Julian Fruit, Cravens, Dargan & Co., retiring most loyal gander, and D. Maury Pollard, Sr., Netherlands, are grand nest delegates.

New Illinois Special Agent

W. A. Hamilton, who has been with the underwriting department of the Employers Fire at the home office in Boston for the past several years, has been appointed special agent of the company in Illinois assisting State Agent F. J. Summer. He will make his headquarters in Chicago and has already taken up his new duties. He has had some experience in the Minnesota field.

N. J. Field Club Meeting

The New Jersey Field Club, of which Fred H. Morasch is president, will hold a dinner-meeting, preceded by a golf tournament, July 27, at the Manasquan River Golf Club.

New York Summer Gathering

Field Men's Organization and the "Old Association" Combined Business Sessions with an Outing

SYRACUSE, N. Y., July 15.—More than 100 field men from New York state attended the annual summer meeting of the New York Fire Underwriters Association in Syracuse Tuesday morning and the outing of the "Old Association" at the Syracuse Yacht Club at Onondaga Lake in the afternoon and evening. Several important rule changes were announced by Secretary Lawrence Daw, for which bulletins will be published this week. Resolutions were adopted on the death of Thomas E. Gallagher, F. P. Stoddard, H. S. Richards and E. E. Blake. Announcement was made of the retirement of State Agent "Baldy" Smith of the Hartford after 57 years with that company.

The winners in the golf tournament were Jake Clark, Fire Companies Adjustment Bureau, Syracuse; and Pat Lambert, Travelers, Syracuse. Seventy-five attendance prizes were awarded. Among home office officials attending was Alec Ross of Crum & Forster, who led the old Rochester quartet in a group of songs.

The morning meeting was presided over by Carl Vischer, Royal at Rochester, president, and John Forbes, Sun, Rochester, chairman executive committee. The afternoon program committee consisted of Frank Curtiss, chairman; Walter Bryant, P. D. Fogg and Frank Kelley.

Indiana Executive Committee

The executive committee of the Indiana Fire Underwriters Association as selected by President Morris O. Jones includes G. W. Mercier, Hanover; John W. Noble, Security, Ct.; E. H. Richardson, Phoenix, Ct.; M. C. Buckingham, Great American, and H. G. Meek, London Assurance. President Jones, Vice-president G. L. Heinz and Secretary O. E. Green are members ex-officio. At a meeting of the committee Monday, Mr. Mercier was elected chairman.

Thompson Visits Old Home

Thomas B. Thompson, state agent North British, Portland, Ore., is visiting his old home, Denver. Before leaving in 1933 to take the Oregon state agency he was treasurer of the general agency of Braerton, Simonton, Brown in Denver.

California Blue Goose Outing

The California Blue Goose, Los Angeles, concluded its summer meetings with a swimming party, followed by a dinner and dance. The event was planned by L. L. Brown, National Automobile Club, and Raymond Needham, Glens Falls.

June Publications in Illinois

Rate books were published by the Illinois Inspection Bureau during June for: Cable, Elizabeth, Farmington, Kincaid & Bulpitt, Long Grove, Mathersville, Aphiam, Pana, Percy (class changed from 9 to 8), Rock Falls, Shabbona, Stanford (class changed from 8 to 9), Steelville (class changed from 10 to 8), Steward (class changed from 8 to 9), Taylor Ridge, and Tovey.

WANTED

Eastern fire company, with casualty affiliations, member W. U. A., wants Minnesota State Agent. Prefers man with experience in north-west, presently employed and with following, not over 38 years of age.

ADDRESS D-52, NATIONAL UNDERWRITER

NEWS OF THE COMPANIES

General Has Big Convention

Agents from the United States and Canada Assemble at the Seattle Headquarters

The General of Seattle held an international convention of local agents at the head office three days last week. On Friday the business sessions were addressed by President H. K. Dent, Vice-president R. H. Baldwin; T. A. Loynahan, vice-president and general manager of the General Casualty; A. B. Derifield, supervisor of agents and production, and O. M. Thurber, manager public relations department. Vice-president F. F. Kurz presided over the business sessions.

Mr. Kurz was toastmaster at the banquet Friday evening. There was a fine entertainment program. Talks were made by O. D. Fisher, chairman of the board; Joshua Green, vice-chairman; Joe Wheeler of Belknap & Wheeler, general agents in Texas, and Ross Dent of Yakima, Wash., the first local agent of the General.

Make Seattle Tour

On Thursday afternoon there was a two-hour sightseeing trip through Seattle. The site of President Dent's new home was seen. Tea was served at the home of Mrs. A. Scott Bullitt, one of the directors, and daughter of C. D. Stimson, one of the first directors.

On Saturday a boat trip was taken to Victoria, the party returning to Seattle at 11:30 p. m. On Sunday an automobile trip was taken to Paradise Valley, Mt. Rainier. Local agents were present from all over the country and from six provinces of Canada. There were some 1,000 agents and members of their families registered. Of this number 800 were local agents. A special train made up at Chicago carried nearly 100 delegates and their families. There was a large delegation from Texas.

The agents got in touch with the officials, department heads and examiners at the head office.

Affirms Tax on Newark Fire

NEWARK, July 15.—The New Jersey state board of tax appeals has affirmed.

No Longer Need Lloyds in Fire Underwriting in U. S.

NEW YORK, July 15.—London Lloyds, while still seeking direct fire business in this country, is not patronized to anything like the extent that was true some years ago. The volume of premiums sent abroad is steadily decreasing and that trend promises to continue.

The primary reason is the broader writing capacity of the regular companies, and the greater flexibility of their contracts. Executives are now able and willing to grant forms of indemnity to meet particular needs of assured, and are not as timid as they were in the past in digressing from established practice. The companies, by and large, have so increased their financial strength in recent years, as to be able comfortably to absorb individual lines many times in excess of those formerly granted; while the majority of risks which in the past were virtually forced to go abroad to complete coverages, have so strengthened their properties through superior construction and fire prevention equipment, as to warrant licensed insurers taking entire lines.

London Lloyds at one time was in demand by authorized brokers handling large railway and kindred schedules, and is still used to a limited extent in such connection. On the average risk, however, which the London underwriters formerly actively solicited, competition is seldom encountered.

firmed a personal property assessment of \$1,069,000 levied by the city of Newark on capital and surplus of the Newark Fire.

Exemption Is Claimed

The company claimed exemption on the ground that its business location is in New York City and that reserves for unearned premiums or taxes and agency balances over 90 days old should not be

included in its capital and accumulated surplus.

The board, however, held that the company is incorporated in New Jersey and under its charter must retain its principal office and conduct its general business in this state. Other grounds of appeal were held to be equally untenable.

Bachelor Firemen's Director

J. H. Bacheller, president of the Fidelity Union Trust Company of Newark and a member of the executive committee of the Prudential, has been

elected a director of the Firemen's, succeeding the late Edward T. Ward.

Franklin Fire Pays Extra

The Franklin Fire will on Aug. 1 pay the regular quarterly dividend of 25 cents, plus 5 cents extra, to stock of record July 20.

Home Declares Extra

The Home of New York has declared an extra of 5 cents and the regular quarterly dividend of 25 cents payable Aug. 1 to stockholders of record July 15.

EAST

SOUTH

WEST

IMPORTANT!

As the result of a substantial reduction in cost, we can now make further improvement in your fire policy by adding a supplementing endorsement which gives you protection against losses caused by:

WINDSTORM
EXPLOSION
(EXCLUDING STEAM BOILERS)
RIOT MAIL
AIRCRAFT
MOTOR VEHICLES

This extra protection is important to every property owner. It will be to your advantage to add this valuable coverage to your policy.

Please phone or write us today.

INCIDENTALLY, FOR AN INSIGNIFICANT PREMIUM, WE CAN ALSO INCLUDE SMOKE OR SMOUDGE DAMAGE RESULTING FROM FAULTY CONSTRUCTION IN YOUR POLICY.

IMPORTANT!

We can now make further improvement in your fire policy by adding a supplementing endorsement which gives you protection against losses caused by:

WINDSTORM
EXPLOSION
(EXCLUDING STEAM BOILERS)
RIOT MAIL
AIRCRAFT
MOTOR VEHICLES
SMOKE OR SMOUDGE
(EXCLUDING HEATING PLANTS)
LOSS OF RENTAL VALUE
(JEWELRY ONLY)

This low cost extra protection is important to every property owner. It will be to your advantage to have us add this valuable coverage to your policy.

Please phone or write us today.

IMPORTANT!

We can now make further improvement in your fire policy by adding a supplementing endorsement which gives you protection against losses caused by:

WINDSTORM
EXPLOSION
(EXCLUDING STEAM BOILERS)
RIOT MAIL
AIRCRAFT
MOTOR VEHICLES
SMOKE OR SMOUDGE
(EXCLUDING HEATING PLANTS)

This low cost extra protection is important to every property owner. It will be to your advantage to have us add this valuable coverage to your policy.

Please phone or write us today.



THE PROBLEM: Given a building of good standard construction—in a first class city with first class fire protection—to buy \$10,000 insurance, as follows:

Fire insurance—cost	\$18.00
Windstorm & Hail—cost	\$3.60
Explosion—cost	\$3.00
Riot & Civil Commotion—cost	\$5.00
Motor Vehicle & Aircraft Damage—cost	\$5.00

How much would your total premium be?

YOU'LL BE SURPRISED AT THE ANSWER INSIDE!

SUCH MATERIAL HELPS OUR AGENTS SELL THE SUPPLEMENTAL CONTRACT

WOULD YOU LIKE SAMPLES?
WRITE US TODAY.

Agricultural
Insurance Company.
of Watertown, N. Y.

Empire State
Insurance Company.
of Watertown, N. Y.

Every Type of Property Insurance for Industry and the Home.

Current Trends Revealed at New England Meeting

(CONTINUED FROM PAGE 5)

dent Connecticut Indemnity; C. W. Bailey, superintendent of agents, Ocean Accident; E. M. Allen, vice-president National Surety; W. G. Perry and R. C. Carrick, president and vice-president Peerless Casualty, Keene, N. H.; Wallace Cowan and E. B. Gill, Glens Falls; H. L. Dunn, Fidelity & Deposit; R. G. Hinkley, New England manager American; Vice-president H. F. Ogden, Fidelity & Guaranty Fire; P. F. Lee, vice-president U. S. Fidelity & Guaranty; A. E. Murdock, John L. Mylod, secretaries North British & Mercantile, New York; J. G. Yost, vice-president Fidelity & Deposit; W. D. Riddell, vice-president Lumbermen's, and F. C. Hatfield, vice-president, Phoenix of Hartford.

Caught on the Fly at New England Meeting

The program at the New England agents convention at Manchester, Vt., moved along rapidly and smoothly. Fred R. Smith, Haverhill, Mass., chairman of the New England advisory board, was an excellent presiding officer. Introductions were quick, incisive, usually achieved with three to five sentences.

No one is getting more enjoyment out of life these days than Commissioner De Celles of Massachusetts. Whether in his office, on the platform or on the golf course, he is absorbing some fun out of his serious efforts. And make no mistake about it, he is winning his way into the hearts of Massachusetts agents. One agent of opposite political faith said, "Give De Celles time enough and he will become the John E. Sullivan of Massachusetts." He was referring to Commissioner Sullivan of New Hampshire, who goes on through all administrations, Democratic or Republican.

E. M. Allen, executive vice-president National Surety, a past president of the National Association of Insurance Agents, is a regular attendant at the New England conventions. The men who have headed the National association, almost without exception, have been men of solid and substantial achievement, but it is doubtful whether any in the past 20 years have combined with that record the personal magnetism on the platform as much as Ed Allen.

The Aetna Casualty & Surety reactometer was kept busy much of the time. S. F. Withe, head of the publicity department of the Aetna Life group, and R. H. Kellogg, Jr., of the same department were present.

J. W. Rose, secretary New York state association, pointed to Vermont as the only state which has cast its electoral vote consistently for the Republican presidential nominee since 1860.

Warren R. Shaw, secretary, told the convention that the contribution of the New England advisory board to the James L. Case memorial had been used, along with other contributions for the same purpose, to construct a small chapel for a mission in Setoda, Japan. The mission building has a tablet upon it bearing witness to its existence as a memorial to Mr. Case. Mr. Case had been the chairman of the New England Advisory Board as well as president of the National Association.

Edward J. Cole, past president National association, acted for the New Englanders in presenting a clock to President K. H. Bair.

Commissioner Blackall of Connecticut and his predecessor, H. P. Dunham, were both present. Mr. Dunham is now vice-president of the American Surety.

At Seattle William Culliton has been named as vice-president of the W. W. Connor Company, well known insurance firm.

Insurance News from the Pacific Northwest

SALEM, ORE., July 15.—Some 200 agents, members of the Oregon Insurance Agents' Association, are to share in the premiums of a fire insurance program that will cover the buildings recently constructed in Oregon with federal grant funds. The board of control here decided to cover the \$1,300,000 of property and present and more policies will be required later on future buildings and in a similar manner.

PORTLAND, ORE., July 15.—At the meeting of Oregon State Agents' Association in Marshfield during the week there was considerable discussion with regard to the increasing activity of London Lloyds' in the direct writing of fire business in the state and the best method to be adopted to combat the practice. The resignation of B. O. Lipscomb of Portland from the executive was accepted and Stanley N. Boquist of the W. R. McDonald Company was appointed. Commissioner Hugh Earle and wife were guests of the association at Currier's Village at Lakeside, near Marshfield.

Ormond Keller has been appointed Washington special agent for the Firemen's group with headquarters in Seattle. He began his insurance work with a local agency in Salt Lake City. Since 1929 he has been connected with the Commercial Union group.

A full coverage collision rate of \$10, applicable to all makes of small utility trailers having a maximum F. O. B. list price of \$175 each became effective in Washington July 11, according to filing by the Washington Insurance Examining Bureau for numerous conference companies. The \$15 deductible rate is set at \$7.50.

George E. Robinson, accident and health manager in Portland for the Commercial Casualty, was married during the week to Miss Nadine E. Kropp. The groom is past president of Portland Accident & Health Managers' club.

Row of Agents and Brokers in Chicago Is Acrimonious

(CONTINUED FROM PAGE 5)

dred dollars worth of possessions that he values most highly. He must pay an increase of 6 3/4 percent to 33 1/2 percent over and above the actual rate depending upon the amount purchased. This \$1 'after charge' is extortionate."

There has been a difference of opinion right along about the desirability of the \$1 service charge. It was introduced early in the depression years when there were so many cancellations of policies and the agents were handling an immense amount of detail work which was expensive and non-productive. Some observers feel that Insurance Director Palmer of Illinois is not likely to overlook this service charge in his current crusade to have the rates reduced for the home owner. It was while Mr. Palmer was manager of the Chicago Board that the service charge was applied.

One theory that is advanced to explain the aggressiveness of the brokers is that they desire to forestall any effort to reduce brokerage commissions as a part of a program to reduce fireproof rates in Chicago. Such reduction has been held up due to controversies over whether agents and brokers should be required to make some sacrifice in commission percentage and share the cut with the companies and if so what the commission reduction shall be.

Leaders among class 1 agents in Chicago until the last few days have attempted to deal with the brokers without acrimony, but some of the leaders now appear to be losing patience and seem to be ready to meet the issue squarely. They take the position that if the brokers desire to have an equal

INSURANCE STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business July 13, 1936.

	Par	Div.	Bid	Asked
Aetna Cas.	10	3.00*	98	100
Aetna Fire	10	1.60	54	56
Aetna Life	10	.80	33	35
Agricultural	25	3.00	82	84
Amer. Alliance ..	10	1.20*	25	27
Amer. Equitable ..	5	1.05*	30	32
American (N. J.) ..	2.50	.50	15	16 1/2
Amer. Surety	10	2.50	52	55
Automobile	10	1.20*	35	37
Balto. Amer.	2.50	.30*	8	9
Boston	100	21.00*	630	650
Camden Fire	5	1.00	22	23
Carolina	10	1.20*	28	30
Contl. Casualty ..	5	1.00	26 1/4	27 1/4
Contl. Ins.	2.50	1.45*	39	41
Crum & For. Com.	10	.90*	29	31
Fidelity & Dep. ..	20	2.25*	101	103
Fidelity-Phen. ..	2.50	1.45*	42	43 1/2
Fire Assn.	10	2.50*	75	77
Fireman's Fund ..	25	4.00	101	105
Fireman's F. Ind.	10	...	30	33
Fireman's (N. J.)	5	...	10	11
Franklin	5	1.20*	33	34
Glens Falls	5	1.60	41	43
Globe & Repub. ..	5	.50	15 1/2	16 1/2
Gl. & Rut. (com.)	25	...	46	48
Gt. Amer. Fire ..	5	1.20*	29	30
Gt. Amer. Ind. ...	1	.15	8	10
Halifax Fire ...	10	.90*	23 1/2	25
Hanover Fire	10	1.60	37	38
Harmonia Fire ...	10	1.20*	27 1/2	29
Hartford Fire ...	10	2.50*	73 1/2	75 1/2
Htfd. Steam Boil.	10	1.60	73	75
Home Fire & M. ..	10	2.00	45	47
Home Fire Sec. ..	10	...	5	5 1/2
Home (N. Y.) ...	5	1.20*	37	38 1/2
Homestead	10	1.00	26	27 1/2
Ins. Co. of N. A. ..	10	3.00*	72	73
Kan. City F. & M. ..	10	.60	21	22
Knickerbocker ...	5	.50	13 1/2	14 1/2
Merch. & Mfrs. ...	10	...	10	11
Met. Assur. com.	5.00	1.75*	52	56
Natl. Cas.	10	.80	17	19
Natl. Fire	10	2.00	70	73
Natl. Liberty ...	2	.40*	10	11
Natl. Union	20	2.50*	124	127
New Am. Cas. ...	2	...	11 1/2	12 1/2
New Brunsw. F. ..	10	1.30	36 1/2	38
Northern (N. Y.) ..	12.50	4.00*	101	104
North River	2.50	1.00*	25 1/2	27
N. W. Natl. Cas. ...	2.50	.10	6	7
N. W. Natl. Fire ..	25	6.75*	115	119
Pacific Fire	25	4.25*	122	125
Phoenix, Ct.	10	2.50*	86	89
Prov. Wash.	10	1.25*	41	43
Rossia	5	.70	12 1/2	13 1/2
Security	10	1.40	36 1/2	37 1/2
Southern Fire ...	10	1.20	25	27
Springfld. F. & M.	25	4.75*	139	142
St. Paul F. & M. ..	25	7.50*	211	216
Travelers	100	16.00*	565	575
U. S. Fire	4	1.90*	51	52
U. S. F. & G.	2	...	15	16
Westchester Fire	2.50	1.40*	35	37

*Includes extra.
*Canadian funds.

voice in the affairs of the board that they should pay the \$1,000 membership fee which the class 1 members pay. Some Chicago members have felt that those who are running the brokers' association have been searching for issues to make the welkin ring, create interest in the brokers organization, and attract new members. There is much interest in just how much of a hold the steering committee of the brokers organization has on the membership as a whole.

Subterfuge Is Outlawed

LINCOLN, NEB., July 15.—The supreme court has served notice on attorneys, in setting aside a \$7,500 judgment, that it would do this in every case where it was apparent that lawyers for plaintiffs in automobile damage cases are employing a subterfuge to get around a holding made some months ago that no questions be asked that would leave jurors to infer or be informed that a defendant carries insurance. In the case at bar the attorney for plaintiff had asked each prospective juror whether he was policyholder in the State Farm Mutual of Illinois, and claimed on appeal that he wanted to use the information as a basis for challenging the jurors' competency. The court said this was unworthy of belief.

New Rules in New England

BOSTON, July 15.—The New England Insurance Exchange, under a new rule, now sanctions collection of premiums under term policies on a pro-rata basis.

The Boston Board has amended its constitution so that Class A agents in the 27 cities embraced in the metropolitan district may elect to receive either 15 and 25 or 20 percent flat commission,

as followed in Eastern Underwriters Association ordinary territory.

Competition continues keen in New England, board offices having recently lost the \$2,000,000 line on the Fuller Brush Company's plant at Hartford.

Mutual Club Meets July 31

CEDAR RAPIDS, IA., July 15.—The 1752 Club, an association of mutual men, will hold its annual state meeting at Cedar Rapids July 31. More than 200 field men are expected to attend.

Kentucky State Insurance

FRANKFORT, KY., July 15.—Commissioner Goodpaster announced that the total amount of fire and tornado insurance on all state property is \$15,007,389, of which \$12,378,745 will be state-carried insurance. The remaining \$2,678,455 will be carried in private companies. Total premiums will amount to \$90,613.49, of which \$79,309.61 will be paid to the state insurance fund by boards and agencies. The remaining \$11,303 will be paid by the state on insurance carried with insurance companies. Under a 1936 legislative act the state was authorized to carry its own insurance.

Mrs. James L. Case's Mother Dead

Mrs. Mary S. Stone of Norwich, Conn., mother-in-law of the late James L. Case of that city, died this week. Mrs. Stone would have been 102 had she lived until Oct. 6. She retained her faculties up to the time of her death, was interested in current public affairs and did a great deal of reading. At the time of her death she was living with her daughter, Mrs. Case, at Norwich.

Aldrich Talks to Range Men

ELY, MINN., July 15.—The advisability of limited company representation in the smaller towns was stressed by S. C. Aldridge, president of the Minnesota Association of Insurance Agents, in a talk before the Range Association of Insurance Agents. He also discussed the value of organization among agents to further their own interests.

Although the temperature was well above 100 degrees, a score of agents from various iron range towns showed their interest in the meeting by traveling long distances to be present. H. J. Bastien drove more than 100 miles from Grand Rapids and announced that he and several other Grand Rapids agents intend to join the range association.

Sherman Talley, Eveleth, president of the association, presided at the dinner and announced that the association plans to incorporate.

Lasher's Son Is Engaged

The engagement of John Lasher, son of C. D. Lasher of Chicago, general manager of the Home of New York fleet, and Mrs. Lasher, to Miss Margaret Morrison, daughter of Mr. and Mrs. W. H. Morrison of Indianapolis, is announced this week. At a dinner party Friday night this week at the Evanston Golf Club, the two young people will be entertained by the elder Lashers. Miss Morrison is their guest over the week end.

John Lasher graduated from Williams College and went with the Newhouse & Sayre Agency in New York City. He is now entering the educational field and becomes instructor in mathematics at Trinity School in New York City, an Episcopal preparatory institution. In college he starred in basketball and baseball and he will coach teams in those sports at Trinity.

The wedding will take place in Indianapolis, Aug. 22.

C. F. Rupprecht of New York City, assistant United States manager of the Commercial Union, and Mrs. Rupprecht have been on a visit to England and the continent and while abroad of course called at the head office of the company. They are returning this week.

Orders Regulation of the Marine Line in Wisconsin

(CONTINUED FROM PAGE 3)

or damage by fire, lightning, wind, sprinkler leakage; however, authority to write fire, wind and sprinkler leakage under this section does not exempt the company from the necessity of complying with the specific statutes as to rate regulations, taxation, form of policy and other statutes governing the writing of fire, wind and sprinkler leakage.

Actuarial Bureau

The letter then quotes Section 203.33 which requires fire companies to belong to an actuarial bureau. The implication there is that the rate for marine insurance must be based upon the fire rates as established by the actuarial bureau. Mr. Mortensen also quotes Section 76.30 which provides for the 2½ percent premium tax and he also cites Sections 200.17 and 201.59 which provide for the fire department dues tax.

The fire department dues must be reported on all insurance written against the hazard of fire irrespective of whether the company is writing this insurance under the authority of subsection 1 of Section 201.04 (fire) or subsection 2 of that section (marine).

The marine companies are disturbed as a result of the step taken by Mr. Mortensen, because they fear to have their business subjected to regulation. They point out that marine business is particularly susceptible to foreign competition and when the American companies are put in a strait jacket, it gives foreign insurers great opportunity. For instance, they point out that American companies cancelled their policies covering the Taft Museum in Cincinnati because the Ohio insurance superintendent ruled that this risk could not be covered under a marine form and the rate had to be constructed from the fire insurance rate established by the bureau. As a result, that line is now carried by London Lloyds.

The marine people also feel that the step that Mr. Mortensen has taken may lead to a demand on the part of the Wisconsin authorities for back taxes on marine business in Wisconsin.

A committee of the Inland Marine Underwriters Association has the Wisconsin matter under consideration.

STEBBINS' VIEWS

Herbert Cobb Stebbins, well known general agent of Denver and secretary of the American Association of Insurance General Agents, in his recent letter to members of the association on the question of marine departments undermining regular fire business, referred to the ruling of Commissioner Mortensen that an inland marine policy must start with the fire rate and then be loaded accordingly for other hazards. This, Mr. Stebbins characterized in his letter as a "sound ruling."

Mr. Stebbins requests members to tell what their experience has been and give their recommendations. This matter, he said, will be brought up for consideration at the meeting of the executive committee in Pittsburgh in September. Mr. Stebbins states that the tendency is growing for fire companies in their inland marine departments to write risks in violation of the established fire rates. Many properties permanently located at a fixed location are covered against fire and other hazards at a rate far below what the established fire rate is at the particular location.

For instance, hotel furniture and fixtures are insured through a marine department for about one-third of the fire rate. Mining machinery located in an isolated frame mill, special hazard, on which the fire rate is about 3 percent annually, is insured through a marine department at about 1 percent. Harvesters and combines are insured in a marine department for less than half of the established fire rate.

This practice, according to Mr. Stebbins, is discrediting the rating structure and causing the public to lose faith in the established system of writing insurance. "It is impossible," Mr. Stebbins said, "to justify the writing of a regular fire insurance policy on white paper at a rate of 3 percent and a marine policy on pink paper in the same company with additional hazards included at a rate of 1 percent."

TWO HEARINGS ARE HELD

MADISON, WIS., July 15.—In connection with the ruling that marine companies must comply with the rate regulations in Wisconsin, two hearings have been held with representatives from New York and Hartford. Commissioner Mortensen has taken their submissions under advisement.

N. F. P. A. Set for Chicago

The program committee of the National Fire Protection Association has set next year's annual convention for Chicago the week of May 9.

S. E. U. A. Committee to Meet

The executive committee of the Southeastern Underwriters Association will hold its mid-year meeting at Bowling Rock, N. C., July 18-22.

NEW YORK NEWS

LONDON LLOYDS LOSS

London Lloyds is reputed to have the insurance on the tobacco owned by the I. Lewis Cigar Company, stored in the concrete warehouse of Lucien Castro, at Juncos, P. R., burned June 14, with an estimated loss of \$200,000.

SUPPLEMENTAL CONTRACT

The supplemental contract now in use in all sections, while basically the same, differs in some respects in each of the four divisional territories. It is expected that in due course such changes as exist will be eliminated and a uniform policy be issued. It is felt the initial step in the desired program would be afforded in coverages granted public utility enterprises, many of which are owned countrywide through the medium of holding corporations, and the nature of the properties requires the insertion of a special clause in the insurance contract. The granting of a uniform policy, it is held, would be pleasing to the assured, who now fail to understand why

with identical hazards, their plants in different insurance jurisdictions contain varying stipulations.

The supplemental contract, despite changes appearing in the four regional territories, is yet more nearly alike than any other policy put forth by the fire companies; hence the feeling that it would not be difficult to take a further step and make it fully uniform.

DUN & BRADSTREET BOOK

Dun & Bradstreet has gotten out the 1936 revised edition of "Behind the Scenes of Business" by Roy A. Foulke, manager of the analytical report department of the concern. It deals with prosperity as a business enterprise, important capital ratios, inventory ratios, sales ratios and net profit ratios, relativity of business conditions, etc. It is regarded as a valuable work.

BESSIE MAE MURRELLE RESIGNS

Bessie Mae Murrelle has resigned as New York advertising sales representative of the "Insurance Index" of Louisville.

At Wilmington, Del., the N. F. P. A. reports that a comprehensive and well arranged new building code has been adopted. Wooden shingle roofs are prohibited throughout the city limits.

A NICE, COOL JOB!

IT IS APT to be too warm during July and August for "ringing doorbells". And not only that, but many of your best prospects will be away enjoying their vacations at distant mountain or seashore resorts.

Take off your coat, turn on the electric fan, and, in "solid comfort", make an up-to-date analysis of your clients' insurance needs. It will double the results of your sales efforts in the Fall!

We have devised two Client Analysis forms which are considered ideal by Agents who have used them. Write for a supply to the Sales Promotion Department of The American Group, 15 Washington Street, Newark, N. J.

EDITORIAL COMMENT

Effect of Equal Rating

RECENT agitation in two states for state-wide equalization of fire insurance rates ought to cause every insurance man to do some serious thinking about the underlying principles of rate-making. In each case, the state officials have contended that people in one part of the state are being discriminated against with higher rates. The answer of the insurance companies is that losses in those sections, induced by physical and moral factors, are higher and in all probability will continue to be higher.

If all the people in one state should pay the same rate, there appears to be no logical reason why all states should not have the same rate. Carrying the thought farther and perhaps to an absurd conclusion, why, by the same token, should there be any distinction between brick and frame buildings?

Fundamentally, any insurance rate is supposed to represent the exact hazard to which the risk is exposed. This principle can logically be departed from only where the cost of subdividing risks too closely would exceed the possible saving to individual risks. This is the basis of minimum tariff schedules for dwelling property and similar groups of risks which are individually small, yet large in the aggregate. Any further departure results in a definite abandonment of the present principle of rating.

Perhaps the present principle is

wrong, but at least it has been successful. Before plunging into another system, it is wise to look at the logical consequences. What can the insurance world expect if a system of "equal rating" is installed? Companies will gradually tend to favor business from profitable localities and discourage that from elsewhere. Sooner or later it will become virtually impossible for persons in unprofitable districts to secure insurance. Today they can insure their property at not unreasonable rates, a new system might mean that tomorrow they could not.

If any locality is being unjustly penalized in rates, this should, of course, be corrected. But it does seem reasonable to believe that these situations can be adjusted without upsetting fundamental principles of rating. Bitter and public controversies between commissioners and companies will not help to adjust it, nor will resorts to law. Companies, in our opinion, should be willing to prove with facts and figures the unfavorable circumstances of any locality, where it exists. The public should not be allowed to forget the basic principles of rating. It is easy to convince people that insurance companies are out to cheat them. Acrimonious battles in the courts, as a substitute for judicious explanations, do not help to overcome this belief.

Need for Larger Appropriation

IN HIS address before the annual meeting of the GEORGIA ASSOCIATION OF INSURANCE AGENTS, CHARLES F. LISCOMB of Duluth, well known local agent and member of the executive committee of the NATIONAL ASSOCIATION OF INSURANCE AGENTS made some observations as to allocation of funds to state insurance departments that are well worth considering. He feels that state insurance departments are receiving niggardly appropriations in comparison to the taxes and fees insurance companies are called upon to pay. For instance, in his state the total expense allowance was \$36,700 or 2 percent. In Georgia, the allotment is 2.67 percent.

While his recommendation of 25 percent may be too large, yet certainly the departments deserve far more than they are receiving. It is due the public that the legislatures furnish the departments with sufficient funds to provide adequate and competent employees. It becomes more necessary, it seems to us, for the departments to receive more money because of the new method to be adopted in the so-called convention examina-

tions whereby more states will participate in this work. The chief objection to this plan from the states having larger appropriations and therefore as a rule more competent examiners was that unqualified and incompetent examiners would be sent out.

An examination of an insurance company requires more than mere accounting or statistical knowledge. The man should look behind the scenes and appreciate the many factors that enter into a company setup. Examining work is most important and if the public is to be properly protected there should be efficient men paid well for the work and so far as possible they should be under civil service rules either actively in force or at least tacitly recognized.

Furthermore it has been found most desirable that an insurance department should be entirely independent of any other bureau in the state. It should not be mixed up with any other department, subject to a commission or ruled by a board.

Illinois is a good example of attempted economy as a few years ago the insur-

ance department was placed under the director of trade and commerce. The force and strength of the insurance superintendent was therefore weakened. Fortunately under the HORNER administration the department was restored to full independence and as a consequence

responsibility is resting where it should lie. An insurance department is so important that the head of it should be given full authority and responsibility. He should be held accountable and not some bureau or some board attempting to supervise him.

Two Attitudes Toward Loss

ONE of the indefinable and intangible elements that creates desirability so far as underwriting is concerned is the attitude of a concern or an individual toward his property from a loss standpoint. In some cases the management carries insurance, takes big chances and relies on insurance companies to pay a loss if one occurs. There is no particular attention paid to the prevention of a loss. The policy of such an assured is to allow things to take their course and let the insurance companies foot the bill.

The other attitude is one that desires to prevent any sort of loss if possible. The main object is to keep the business moving without interruption. A loss is regarded as a calamity. Regardless of whether insurance is carried or not such a policyholder looks upon any factor that slows up the normal flow of his business to be most undesirable. In case of the latter attitude, an underwriter can take a far greater chance than would be the case in the former. More assured should know the benefits of prevention.

PERSONAL SIDE OF BUSINESS

Dowdell Brown, Jr., son of the southern manager of the Commercial Union group, has passed the Georgia bar examinations and will practice law in Atlanta. He is a graduate of the Lumpkin law school of the University of Georgia and is a member of a family which has been prominent in the legal profession. The late W. A. Blount of Florida, his grandfather, was at one time president of the American Bar Association. His uncle, Armstead Brown, is associate justice of the Florida supreme court, and Render Dowdell, formerly chief justice of the Alabama supreme court, is his grand-uncle.

Charles Hawks, Jr., of the Hawks Insurance Agency, Horicon, Wis., was nominated for secretary of state at the Republican state convention in Milwaukee. **W. J. Tucker** of Beloit, past president of the Wisconsin Association of Insurance Agents, was elected a member of the Republican state executive committee from the first district.

Bennett B. Bean, Lexington, Ky., state agent Commercial Union, who has been ill, has gone to Canada to do a little fishing and recuperate. The League of Kentucky Sportsmen, meeting at Frankfort, passed resolutions of regret over the illness of Mr. Bean, one of its directors.

Walter D. Williams of Rockford, Ill., western manager of the Security of New Haven, is making an eastern trip this week.

Hilary P. Smith, an independent adjuster of Alma, Ill., died at his home at the age of 56. He had been in the adjusting business about 25 years, handling adjustments mainly for the Home and American. A brother, George Smith, is connected with the Garlow & Smith agency of Bloomington, Ill.

F. S. Bartlett of Galesburg, Ill., one of the veteran agents in that city, 80 years of age, who had been in the business there for almost 50 years, died last week at his home. His widow, the same age, is still living. There are three chil-

dren, Mrs. M. T. Bruner, wife of the senior partner of Bruner-Quimby Agency at Monmouth, Ill.; W. F. Bartlett, who is with the Underwriters Adjusting in Grand Rapids, Mich., and W. A. Bartlett of San Francisco, head of the Pacific Coast Agency Co. W. A. Bartlett was formerly associated with his father under the firm name of Bartlett & Bartlett. It was formerly Bartlett & Robbins. W. A. Bartlett is a former president of the Illinois Association of Insurance Agents.

H. G. Casper, United States manager of the Eagle, Star & British Dominions, is making a two-week agency visit to the Pacific Coast. He stopped in Chicago, his old home, on the way.

Elmer D. Wallace, 89, who as agent represented the Ohio Farmers at Lima, O., since 1879, died July 11 in that city. He was a year older than the Ohio Farmers and in point of years had served the longest as agent. He was a gentleman in every sense of the word and received and merited the respect of all. At the annual meetings of the agents held in LeRoy, which he seldom missed, he derived much pleasure in meeting the home office officials and other company representatives. A place on the program was always given him. Funeral services, held July 13, were attended by George S. Valentine, Sr., assistant secretary, and by several agents from northwestern Ohio.

W. N. Harlow, 67, of the Boston agency of Kimball, Gilman & Co., well known in the insurance business in Boston for 40 years, died there. He was for many years in the Boston office of the Hartford Fire and in 1919 went with Messrs Kimball and Gilman when they started an agency.

Clyde B. Smith of Lansing, Mich., former president National Association of Insurance Agents, who vows that his mechanical knowledge does not even extend beyond the instrument board of his Lansing-made Oldsmobile, has been granted a patent, a new form of garden hose coupling which eliminates all of



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the innate "cussedness" of the ordinary screw connection.

Mr. Smith somewhat abashedly admits that he conceived the idea for his invention from a special type of lever-lock Scotch whiskey bottle cap. A mechanically-minded relative assisted in preparing a working model. The Clyde Smith hose connection permits instantaneous and permanent coupling of a hose to a faucet or to another length of hose without all the tugging, hauling, twisting and cussing customary to such process. A Battle Creek concern which specializes in the manufacture of hose connections is now considering the production of the new device.

Philip W. Downs, head of the agency in Omaha that bears his name, is the only candidate so far suggested for commander of Omaha Post No. 1 of the American Legion. Election will take place Aug. 10.

Harold Warner, United States manager of the Royal-Liverpool groups, is sailing for England July 16, on the "Aquitania" for a six weeks' visit to his head office.

Mrs. Lillian W. Macpherson, wife of **A. I. Macpherson**, state agent St. Paul Fire & Marine, died at her home in Louisville. Mr. Macpherson was quite ill a few months ago and spent several weeks in a local hospital. For a time it was hardly believed he would recover.

A. Frank Miller, local agent of Mount Airy, Md., has just been installed as grand warden of the Grand Lodge of Odd Fellows of Maryland. He has represented the Home of New York for 32 years and is active in business, civic, social and fraternal life of the community.

Mrs. Mae Barr Long, deputy insurance commissioner of California, was the recipient of numerous floral offerings, congratulatory messages and other evidences of the regard in which she is held by members of the insurance fraternity, her associates in the insurance department and confreres in club and civic life of San Francisco on the occasion of her thirtieth anniversary with the department, July 12. Conspicuous among the gifts was a handsome tray presented by her associates in the insurance department headed by Commissioner S. L. Carpenter, Jr.

Mrs. Long joined the insurance department July 12, 1906, as an "extra stenographer" to do "a couple days' work." She became a permanent employee and because of the efficiency of her service, was later made chief clerk. In 1923, under the administration of Commissioner Squires, she was named deputy commissioner, the position which

she continues to occupy with distinction. Since her appointment as deputy she has served under Commissioner C. R. Detrick, Commissioner Mitchell and the present Commissioner.

In spite of her numerous duties with the department, Mrs. Long has found time to take an active part in civic and club life of San Francisco, serving for a number of years as an officer of the San Francisco Business and Professional Women's club and also of "Zonta."

Roger Clarke of Fredericksburg, Va., the new president of the Virginia Association of Insurance Agents, was born in Orange county, Va., in 1898, and has been a resident of Fredericksburg since 1901. After completing his first year in high school in Fredericksburg he became a messenger boy for the Postal Telegraph Company. He was a clerk in a local bank for 11 years and then took a rate book for the Metropolitan Life. Subsequently he became manager for Smith, Dodd & Co., that conducted a general insurance agency. He purchased this business in July, 1927, and since then has operated it as sole owner. For two years he was president of the Fredericksburg chamber of commerce and one year was president of the Kiwanis Club.

Chester J. Chatek, Seattle local and general agent, is first ceremonial master of Nile Shrine Temple and is helping entertain the 50,000 Shriners at the National Council meeting in his city.

A. J. Strauss, Cincinnati local agent, was killed in an automobile accident. He had represented the Travelers about 25 years and was highly regarded by agents locally and was well known among Travelers agents over the country. He was 52. His widow, Mrs. Janet Strauss, who had been associated with him 10 years in the agency, will operate it.

W. H. Lininger of Chicago, vice-president in the western department of the Springfield F. & M. group, left this week for Tucson, Ariz., where he and Mrs. Lininger will visit their son, Homer D. Lininger, and his family, returning some time in August. Homer Lininger was general agent of the Connecticut Mutual Life in Chicago but owing to his health he found it necessary to locate in a more favorable climate. The junior Liningers are starting a lodge at Tucson for the accommodation of the public.

H. K. Rogers of the fire prevention department Western Actuarial Bureau, Chicago, is now on a sustaining program of station WLS, Chicago, at 9:15 a. m., every Saturday morning. Mr. Rogers is assisted by a large studio cast and his program consists of a dramatization of a series of fire prevention skits.

R. F. Woltersdorff, assistant western manager of the Atlas, sailed Wednesday of this week from New York on the S. S. "Algonquin" for Galveston. From there he plans to go to Dallas and take in the sights of the Texas centennial celebration.

The mystery regarding the naming of the new boy of Editor **John E. Puckette** of the "Insurance Field," "Cleveland," has been revealed. There had been a good deal of mystery about the name. Some of Mr. Puckette's friends claimed that it was named from Cleveland, Tenn., in honor of his early residence at Sewanee where his father was a member of the faculty of the University of the South. Others claimed that Editor Puckette had visited Cleveland, O., had enjoyed the ozone of the lakes and in contrast to the hot air coming up from the south he had been regaled by the refreshing winds from the Canadian north. Still others claimed that as a reader of history and a student of government, Mr. Puckette was a great admirer of Grover Cleveland and hence his new boy's name originated from the great Democratic president. Indirectly

the last speculation is correct. Actually, however, it is interesting to know that Mrs. Puckette's name is "Cleveland" and the son bears her name. However, Mrs. Puckette was named "Cleveland" after Grover Cleveland, her mother being an ardent admirer of him. According to Mr. Puckette, Cleveland Puckette is destined to be an old line, legal reserve, dyed in the wool Democrat of the south.

On the occasion of his retirement July 1 as president of the Rotary Club of Chicago, **Richard E. Vernor**, manager fire prevention department Western Actuarial Bureau, Chicago, was honored at a luncheon at which he was presented a diamond studded Rotary past president's lapel button. He was also presented a marine clock by M. A. Graettinger, president Illinois Bankers Association.

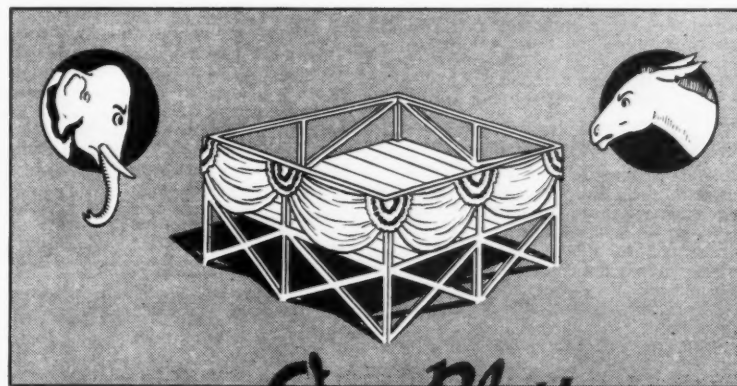
Other insurance men who assisted Mr. Vernor in his administration were as follows: W. N. Achenbach, western manager Aetna, who was chairman of the rules committee and was named secretary finance committee of the incoming administration; Frank Watson, Charles A. Newton & Co., who represents the fire agents in the club and who was elected vice-president, and Preston H. Williams, Equitable Life of New York, who represents the life

agents and was chairman of the sports and outing committee.

Clifton Blackmon of Dallas, former editor of the "Southwest Insurer" in that city, who has sold his interest to John C. Leissler, has opened his advertising agency in 714 Allen building. Mr. Leissler now becomes sole owner of the paper. Inasmuch as Mr. Blackmon has been connected with the insurance side of newspaper work since he started with the "Insurance Field" in 1929, he is well informed as to the ins and outs of the business.

A. B. Banks, former president of the Home Fire, Home Life and Home Accident of Arkansas prior to the failure of his insurance and banking enterprises in 1929 and 1930, has purchased the James A. Patillo agency for consolidation with the A. B. Banks agency at Fordyce, Ark. He removed from Little Rock to Fordyce and his agency occupies the building which housed A. B. Banks & Co. before his headquarters were shifted to Little Rock.

Chris J. Muckerman, president of the St. Louis Fire & Marine, has been elected a director of the Utilities of St. Louis.



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is where he belongs—in front of the band. Where are you in the march to better business? To take your place with the leaders, you must know the line of march. We have a plan on which the way is marked clearly and definitely. It is worked out, individually, to fit you and your locality. This plan forever banishes hit-or-miss selling of insurance.

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Wins in the First Round

General of Seattle Gains a Point in South Dakota in Its Installment Payment Plan

The General of Seattle has won the first round in its controversy in South Dakota, the court sustaining it and its running mate, the First National. The two companies filed in South Dakota a deviation reading as follows:

"All risks which are eligible to term insurance, as defined by the rules and schedules of the General Inspection Bureau and written for a term of one year only, shall carry the following endorsement granting the assured the option to renew the policy annually for four successive years at 80 percent of the annual rate and premium of the policy:

"It is hereby stipulated and agreed that the assured shall have the option to renew this policy annually for four successive years, by the payment of 80 percent of the annual premium per annum, such payment to be evidenced by the issuance of a renewal certificate, properly countersigned, and running for a term of one year only. No insurance shall exist hereunder beyond the expiration date of this policy or the last renewal certificate."

Disapproved by Department

This deviation was filed with the commissioner on January 13, 1936. The commissioner, through Tom Scanlon, deputy, wrote as follows:

"I am however unable to approve that part of your rate filing as set forth in Paragraph 'A' relative to risks which are eligible to term insurance" and the same is hereby disapproved."

Upon receipt of the ruling, the company started a proceeding under the declaratory judgment law of South Dakota, asking the court to declare the law as to the right of a stock company to issue an installment plan policy in South Dakota. It specifically asked a declaration of the law in the following particulars:

1. That the deviation filed by the petitioner under date of Jan. 13, 1936, is lawful and in accordance with the statutes of South Dakota.

2. That the petitioner is entitled to attach and add to a standard fire insurance policy in South Dakota the endorsement set forth in its deviations.

3. That the company writing in accordance with such deviation be required to set up and carry as an unearned premium reserve 50 percent of the amount of the premium actually collected each year during the entire term of the policy, and that the unearned premium reserve set up for each year be deemed earned at the end of the year and that the company be authorized to return such premium to its surplus as earned premium.

The state acting through its attorney general immediately demurred to the petition on the grounds that it did not state sufficient facts to constitute a cause of action. The demurrer was argued fully March 23, and the court has now overruled the demurrer. What the course of action of the attorney general will be—whether he will stand on his demurrer or will now answer—it is impossible to forecast.

Would Reject Bid for Hail Notes

LINCOLN, NEB., July 15.—Insurance Director Smrha has filed objections in district court to confirmation of the sale of the assets of the Lincoln Hail, of which he is receiver, for \$1,000 to Charles Carr of Raymond. The assets consist of \$227,000 of notes, of which

\$185,000 are not yet outlawed. He says the bid is inadequate and believes that he can collect several times that amount himself.

Tuesday Judge Broady sustained the objections of Mr. Smrha and refused confirmation of the sale. The court said the offer carried with it dismissal of a suit involving \$9,423 which belonged to the loss fund and which the Continental National Bank, the depository, applied on a \$30,000 note of the company.

Judge Broady ordered the estate or bondsman for the late Lee Herdman, former insurance commissioner, to pay \$5,000 and F. A. Wood and M. Witzenberg, named by him as liquidation agents, the sum of \$12,633, to the present receiver of the Lincoln Hail to reimburse the loss fund for money that the court finds should not have been expended therefrom in the administration of the receivership. The \$5,000 represented transfers of moneys from the loss fund that Wood and Witzenberg said were ordered by Herdman. As special agents the two had collected \$15,267 on premium notes, and used all of it for expenses. The court says that half should have gone into the loss fund under the law and could not be used for expenses. He holds that while it might have been proper to make payment of necessary costs and expenses of the receivership, failure to secure an order from the court to do so rendered the parties liable for restoration of funds.

Several Lumber Yards Hit in July 4 Fires in Iowa

SIOUX CITY, IA., July 15.—Western Adjustment men back from Remsen and Oyens, Ia., report total losses from fire July 4 will reach \$400,000. Insurance will cost stock companies approximately \$112,000 and the mutuals, \$142,000. Of the former, the Home, Continental and New York Underwriters appear to be the predominant carriers. Among the mutuals the hardest hit was the Retail Lumbermen's Inter-Insurance Exchange of Minneapolis, which had total losses on three lumber yards; two at Remsen and one three miles away at Oyens. An adjuster for this company estimated his losses in both towns at \$110,000 and complained that not even the ashes were left from which to judge the fire.

Owners of the Moore Lumber Co. at Oyens heard of the Remsen fire and rushed over there, where they operated the Ahmann Lumber Co. While watching their loss there their plant at Oyens caught fire and burned up an estimated \$60,000 worth of lumber, a total loss. The McGregor Lumber Co. of Minneapolis owned the other yard destroyed at Remsen. Mill Owners, Federal Hardware and grain mutuals were the heavy carriers, after the Retail Lumbermen's.

A. J. Duster, a hotel operator and large property owner at Remsen, sustained a \$45,000 loss. Sixty buildings were destroyed. It has been definitely decided that a firecracker set fire to a tent whose burning flaps contacted adjoining property causing the heavy Remsen loss. The Oyens fire's origin is not quite so definitely fixed, but fireworks are accused. The Sioux City and Des Moines city councils have instructed their legal departments to draw up ordinances to ban the use of fireworks and the Des Moines council will go to the legislature in the hope of getting a statewide enactment.

SEEK IOWA FIREWORKS BAN

DES MOINES, July 15.—Efforts in the legislature, which meets in January,

to enforce a state ban on fireworks are anticipated. The city council here is drawing up an ordinance banning sale and shooting of fireworks. It is understood that other cities, aside from those already which have a ban in effect, are planning to prohibit fireworks. The large Remsen, Ia., fire July 4, which resulted from a small girl throwing a firecracker into a garage contributed to the movement for a state-wide ban.

The Des Moines council decided upon an ordinance following the official reports of 19 persons injured and 34 fire alarms on the Fourth. Fire Chief Burnett reported 75 fires in Des Moines July 3-6. On July 4 there were 34 fires, 11 building fires caused by fireworks, 19 grass fires, mostly due to fireworks, and four other blazes.

LUMBER FIRE AT DECORAH

Nine coal silos at Decorah, Ia., caught fire, but the blaze was extinguished before it reached the big lumber shed. Loss is estimated at \$15,000. Insurance is under a general form. The Retail Lumbermen's Inter-Insurance Exchange has \$30,000, Milwaukee Mechanics \$3,000, Buffalo \$2,000.

Kansas Agents to Shrine Meet

Among the Kansas agents who took the trip to the Imperial Council of the Shrine at Seattle on the Wichita special train were Earl Hutton and D. K. Spencer of Wichita, Russell Brangdon of Kingman, Homer Hunt of Conway Springs, Lloyd Bishop of Clearwater. Logan Thayer, district agent Reliance Life, Wichita, was also in the party.

"Small Loans" Insurance Ruling

COLUMBUS, O., July 15.—A. A. Benesch, commerce director, issued a memorandum regarding the insurance on chattels on which small loans have been obtained. He says the so-called single interest insurance for the benefit of the lender and paid for by the borrower is prohibited by statute and that it is illegal for the lender or any officer or agent to receive any part of the insurance premium paid by the borrower. The department also holds that it is illegal for the lender or his agent to retain rebates of unearned premiums when insurance policies are cancelled. All such rebates, the department says, should be paid or credited directly to the borrower. Licensees may decline to make loans, the security for which is uninsured chattels, but the benefit of such insurance must not accrue to the licensee only.

Storm Damage in Michigan

PORT HURON, MICH., July 15.—Damage of more than \$100,000 was suffered in this vicinity and around Marlette in a series of violent windstorms. Several structures at Sarnia, Ont., across St. Clair river, were also damaged and powerlines there were put out of commission for several hours.

Mutuals to Discuss Changes

MADISON, WIS., July 15.—All fire mutuals have been requested to send representatives to a meeting here to discuss and consider action on two important questions. One is the elimination from mutual policies of the mortgagee clause permitting assessments against the mortgagees of insured property, when the owners fail to pay assessments. The other is the provision for inspection of farm properties as to the electric wiring hazard.

New Wisconsin Fire Course

MILWAUKEE, July 15.—The University of Wisconsin extension division will inaugurate a course on fire insur-

ance and allied lines in its evening classes in Milwaukee, starting in September and continuing for 26 weeks. Beginner and advanced life insurance subjects have been taught in the Milwaukee extension division for several years. The new fire insurance course will be conducted by Charles Timbers of the Wisconsin Fire Insurance Rating Bureau, and the course is being worked out with the cooperation of the Milwaukee Board.

Plan Cooperative Association

SUPERIOR, WIS., July 15.—Organization of a co-operative insurance association with headquarters in Superior is contemplated by leaders in the Wisconsin cooperative movement. Articles of incorporation are to be filed soon for a fire and automobile casualty company, according to Ilmar Kauppinen, treasurer of the Workers Mutual Savings Bank and operating Workers Mutual Insurance Agency. The mutual agency at present is handling insurance for 60 cooperatives, principally fire and automobile coverage. Because cooperative units have had such a favorable loss experience, claimed 18 percent of premiums from 1923 to 1933 and no losses since, leaders of the cooperative movement see a successful future for a co-operative insurance association of their own.

Alpena, Mich., Fire Rally

The following speakers are on the program at the joint convention of the Michigan State Firemen's Association and State Fire College, being held this week at Alpena: R. C. Loughhead, chief engineer Michigan Inspection Bureau, Detroit; G. I. Cook, engineer National Board, Chicago; Fire Marshal Clem Smith of Indiana and R. E. Vernor, manager fire prevention department Western Actuarial Bureau, Chicago.

Cincinnati Razes Old Structures

The N. F. P. A. reports that an important improvement in structural conditions from a fire safety standpoint at Cincinnati is proceeding rapidly. As a federal housing project approximately 500 neglected buildings covering an area of 16 blocks in the west are being razed to make way for modern structures.

Toledo Wants Rates Cut

L. P. Ellis, secretary of the Toledo publicity and efficiency commission, has issued a report criticising the fire companies for failing to put into effect a rate decrease. He states that the National Board is forestalling "coercively a demand for a rate decrease by proclaiming the potential hazard is as great as ever due to a poorly equipped, inefficient and unorganized fire fighting force. The facts will not support this contention and the public should realize it."

However, the report admits that the Toledo fire department needs more manpower per company. The per capita fire loss at Toledo, according to Ellis, has been: \$3.74 in 1931; \$2.06, 1932; \$1.10 in 1933; \$1.17, 1934; 66 cents, 1935.

E. R. Walterschied, head of the Toledo Fire Prevention Bureau, warned that Toledo, which is now in the fourth class, may be dropped to fifth or sixth when the National Board survey has been completed. He said the city does not have the personnel to make proper inspections so as to reduce fire hazards.

Plan Big Cedar Point Meet

The meeting to be held at Cedar Point Aug. 7 under the auspices of the Ohio Association of Insurance Agents, is expected to be one of the largest and most

important the association has ever sponsored. The meeting is primarily for the officers of local boards but all insurance men are invited. The trustees will meet at the same time and the junior organization will be formed. The time and place for the state convention of the association will be determined and action will be taken on committee reports dealing with important questions before the association. Many reservations already have been made. Several men outstanding in the fire insurance business will appear on the program.

Roof Fires in Minneapolis

The N.F.P.A. reports that sparks on wooden shingle roofs continue to be the leading cause of fires in Minneapolis. There were 630 roof fires last year of which 607 were wooden shingle roofs. Since 1926 there have been 5,863 shingle roof fires reported.

Gilpin Heads New Agency

A. W. Gilpin, veteran General Motors and Ford Motor official and a former vice-president in charge of sales of the Pontiac Motor Company, has entered insurance work as president and treasurer of Gilpin & Graham, new Detroit agency.

New Agency in Topeka

A new agency has been opened at 602 Kansas avenue, Topeka, Kan., by Robert E. Marshall, who has taken over the insurance department of the Osborn Investment Company, Topeka, which he managed a year and a half, and the Frank S. Thomas agency.

Open Cleveland Agency

Palmer-Stout, Inc., has opened an agency at 922 Union Trust building, Cleveland. A. Ray Stout is president and J. A. Palmer, secretary-treasurer. They have been connected with the Sun

Life at Cleveland for many years. The new agency will write all lines of insurance.

Detroit Code Amended

The National Fire Protection Association reports that the roofing section of the new building code of Detroit has been amended to prohibit wooden shingle roofs in fire limit district No. 1 and prohibits new shingle roofs in fire limit district No. 2. Wooden shingle roofs are permitted on buildings of ordinary and frame construction outside of fire limit district No. 2. Wooden shingle roofs on dwellings and minor garages with wood thick more than 4 inches to the foot, constructed previously to adoption of the code, in fire limit district No.

2 may be repaired or replaced with wooden shingles.

The N. F. P. A. states that in its opinion an excessive number of shingle roof fires will continue in Detroit until a provision prohibiting wooden shingle roofs similar to that in most other large cities is adopted.

Middle West Notes

Donald W. Crowell, local agent of Granby, Que., died suddenly while playing golf.

Le Roy Scriven, Wichita agent, has announced his candidacy for county commissioner on the Republican ticket.

George H. Kramer, 55, local agent and adjuster, died at his home in Columbus, O., after an illness of four months. He had been in the insurance business 25 years.

IN THE SOUTHERN STATES

Revamp Texas Rate Schedule

Substantial Reduction for Fireproof Buildings—Lower Rate on Merchandise in Brick Structures

AUSTIN, TEX., July 15.—The Board of Insurance Commissioners has released amendments to the Texas general basis schedules effecting numerous changes in fire and windstorm rates. The major changes are as follows:

1. Fireproof and sprinklered buildings. The experience rate credit of 20 percent is removed, but the 80 percent and 100 percent coinsurance rate credits are materially increased and a 50 percent coinsurance clause adopted. Since on the large majority of fire proof and sprinklered buildings at least 80 percent insurance to value is carried, this means a substantial reduction in rates and premiums.

2. The experience rate penalty on stocks of merchandise in brick buildings

in protected cities and towns is reduced from 25 to 10 percent, a reduction in rate.

3. The experience rate credit on cotton compresses and contents is reduced from 50 to 35 percent, an increase in rate.

4. The occupancy table charge for brick hotels is reduced approximately 25 cents. This means a double reduction for fireproof and sprinklered hotels on account of the increased coinsurance credits. An experience penalty of 25 percent is assessed frame hotels.

School Rates Reduced

5. Rates on brick and fireproof schools and orphanages are reduced substantially through both schedule changes and coinsurance credits.

6. The theater and opera house schedule is completely revised, effecting substantial reductions in rates.

Some of the minor changes are: Slight changes in the rules governing the writing of use and occupancy. Minimum premiums for the writing of reporting forms

are reduced from \$400 provisional premium to \$250, and the minimum retained premium from \$250 to \$150. The 90 percent coinsurance clause may hereafter be used in lieu of the distribution average clause. The minimum no-coinsurance rate is now 10 cents.

Simpler and more complete new forms for the writing of insurance on buildings in course of construction are adopted. Windstorm rates on frame class apartments are reduced.

Cravens, Dargan & Co. Changes

Several field changes have been announced by Cravens, Dargan & Co. of Houston. Fred Riley, formerly claim adjuster at San Antonio is appointed special agent in that city as successor to George Wray, who recently entered the local agency business; F. B. Buchanan, claim adjuster at San Antonio; C. E. Doss, special agent at San Angelo to succeed R. D. Edgar, who is now associated with Compere & Compere, local agents at Abilene; E. M. Corbell, special agent at Lubbock, succeeding Jake Mason who now is a member of the McFarland & Mason agency, Lubbock. Mr. Corbell formerly was with the Post Insurance Agency, Post, Texas.

Dallas Insurance Women Elect

The Insurance Women's Club of Dallas has elected the following officers: Helen Wilson, Texas Inspection Bureau, president; Clara Kirkland, Maxson Agency, vice-president; Elizabeth Coffee, Commercial Union, secretary; Doris Apple, Aetna Casualty, treasurer, and Miss May McGinn, Firemen's group, corresponding and publicity secretary.

Department Active in Politics

LOUISVILLE, July 15.—The extent to which the Kentucky insurance department is involved in political activities at this time is causing some comment. The new insurance commis-

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SAN FRANCISCO

sioner, Sherman Goodpaster, has just been named state chairman to conduct the campaign this fall for J. C. Beckham as United States Senator. A letter signed by J. Dan Talbott, whom Goodpaster recently succeeded as commissioner, has been sent out on stationery of the "Division of Insurance, Sherman Goodpaster, Director of Insurance, Frankfort, Ky.," urging the election of Beckham to the Senate.

Probe Kentucky Tobacco Loss

CARROLLTON, KY., July 15.—Harold Nielander, representing the insurance department, will conduct an inquiry into the recent \$80,000 tobacco warehouse fire here which destroyed 1,000,000 pounds of tobacco. He is assisted by Byron Flood, state fire marshal, and E. H. Black of the National Board.

The fire was "definitely of incendiary origin," Mr. Nielander declared.

Reports on El Paso

The National Board has issued a supplementary report on El Paso, Tex., stating that the water supply works are adequate and with few unreliable features. Good quantities are available in most important districts. The fire de-

partment is well equipped but lacks adequate ladder service and is somewhat undermanned. The fire alarm system is generally complete and dependable and with few features of unreliability.

In the principal mercantile district serious group fires are probable where large areas and lack of protection to floor and window openings prevail. Barriers of fireproof construction and good fire fighting facilities should enable fires to be confined to the block of origin. Group fires are probable in some minor mercantile districts.

Storm Losses in Kentucky

Numerous hail losses to tobacco are being reported as a result of storms last Sunday in Kentucky. The wind and hail storm centered at Adairville, Ky. The business section of that town was affected and the roofs of many mercantile buildings were lifted.

Virginia Deviators Heard

The Virginia Corporation Commission has reserved decision on application of the Mutual Fire of Harford county, Md., to deviate 25 percent from the bureau fire rates in Virginia. This concern has been deviating 25 percent for the past eight years but due to the fact that

established rates were reduced last December, it becomes necessary for the Mutual Fire of Harford county to get special permission to continue to cut under the new rates 25 percent. Applications for deviations from Church Properties Fire and American Druggists Fire are also before the commission.

Florida Leaders to Meet

The first meeting of the newly elected members of the executive committee of the Florida Insurance Agents Association will be held at the Seabreeze Hotel at Daytona Beach, July 24. L. P. McCord of Jacksonville, the new president, will preside.

Republocrat Conventions

At the regional meetings of the Oklahoma Association of Insurers being held in six cities this week, one of the main talks is being given by S. W. Philpott, secretary Oklahoma state insurance board, and then at each meeting a field man reads a speech which was authorized by the Oklahoma Field Men's Conference. These meetings are designated as "Republocrat Conventions."

At Woodward, Monday, the field man who spoke was G. E. Wyatt, Hartford; at Mangum, Tuesday, R. W. Crow, Glens Falls; at Perry, Wednesday, W. K. Wissler, Automobile. On Thursday, J. A. Bosdett, Royal-Liverpool, will speak at Norman; H. E. Pate, Commercial Union at Ardmore Friday, and H. K. Lininger, Springfield, at Muskogee, Saturday.

The speakers are being transported in the safety car of the highway safety division and that division furnished literature and speakers for the meetings with the idea of promoting interest in a driver's license law.

Mr. Philpott spoke in behalf of the American agency system. He said the state authorities are engaged in strengthening the enforcement of insurance laws without disrupting established business or hampering legitimate agency operations. He told something about the policies and practices of the board in licensing agents so as to eliminate the unfit.

The field men who are speaking read a paper championing the agency system and stock insurance.

Among the resolutions being presented at these meetings is one opposing the abolition of the state insurance

board, as recommended by Commissioner Read in his annual report to the Governor. Mr. Read and Mr. Philpott have been at swords' points for some time.

Revising Farm Rates

The Oklahoma insurance board, according to Secretary S. W. Philpott, is engaged in a study of farm fire rates with a view to making adjustments by Sept. 1.

Mr. Philpott also announced that the board has voted to require all fire insurance companies to join the Oklahoma Audit Bureau and to clear all policies through it.

The board will secure farm rate information from other states for comparative purposes. Why rates in Oklahoma are higher than those of other surrounding states will be considered.

Loss of \$115,000 at Houston

A fire of undetermined origin destroyed the rice flour mill unit and warehouse of the Pritchard Rice Milling Company at Houston, Tex. Loss was \$115,000, covered by insurance. The warehouse was of corrugated iron and housed rice flour milling machinery and \$15,000 of rough rice. Fire almost spread to a dozen or more plants, including the Shippers Compress Company.

Move Office to St. Petersburg

ST. PETERSBURG, FLA., July 15.—The Phoenix-London group transferred its state headquarters from Jacksonville to St. Petersburg, with offices on the seventh floor of the Times building. A. C. Weaver, for a decade Florida-Georgia manager of the Phoenix Indemnity and London Guarantee & Accident, is in charge of the office here.

R. M. Warren, state agent of the fire companies in the group, also has his office here. H. R. Diehm will direct the investigation of claims in Florida. H. P. Wooten is the inspector and payroll auditor.

Kentucky Actuarial Bureau Outing

The Kentucky Actuarial Bureau held its annual employees' outing July 15 at the Owl Creek Country Club, Anchorage, Ky.

EASTERN STATES ACTIVITIES

Lesson in Newark Explosion

Insurance Engineers Interested in Disaster in Plant Engaged in Removing Silver Nitrate from Films

NEW YORK, July 15.—Insurance engineers are interested in the explosion and fire that occurred in the Newark plant of the Parkhurst Products Co., July 12, recalling as it did a very similar happening in the factory of the Pyrolytic Water Co. at North Arlington, but a few miles away, June 9, 1933.

Scores of persons were injured as a result of the explosion last Sunday and property damage of about \$20,000 was done. In the North Arlington disaster, 10 persons were killed and nearly 100 others, more or less, badly burned by flying embers. In both of the plants excessively hot weather is held accountable for the spontaneous combustion causing the explosions. The industry is engaged in removing by a chemical process the nitrate of silver from plates and films from hospitals, motion picture houses, etc., the metal being sold and reclaimed celluloid films being sold to manufacturers.

While the flammable point of celluloid is 280 degrees and the automatic sprinklers are set to operate at 160 degrees, a far lower ignition point is created through the paper scrap often attaching to the celluloid films. The iron roofs

frequently used on celluloid factories retain the heat and is a strong contributing cause to explosions.

As safety measures engineers favor state laws instead of local ordinances, forbidding the location of such properties near populous centers; requiring fireproof construction, use of vents in accord with National Board requirements, and the installation of adequate sprinkler systems, preferably the open head method with governing valves set to release whenever the temperature rises 15 degrees to the minute.

Logue Bros. & Co. Big Jubilee

Well Known Pittsburgh Agency Rounds Out Fifty Years and Celebrates With Anniversary Banquet

Logue Bros. & Co. of Pittsburgh, well known agency, celebrated the 50th anniversary of its founding at a function at the St. Clair Country Club, there being a guest list of 160. Some of them were leading fire and casualty executives, a number of subagents and customers. W. Ray Thomas is president of the agency. Col. H. C. Fry, Jr., is vice-president and W. J. Zwinggi, secretary and treasurer. The associates are I. S. Suplee, C. A. Daub, A. E. Seelhorst, R. E. Petrie, E. A. Logue, W. B. Felter, F. F. Kerr and N. H. Milliken.

C. M. Logue, in the early part of



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Field Correspondent

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1886 moved from Clarion, Pa., where he was born, to Pittsburgh and associated himself as an agent with D. B. Allewelt, thus founding the business under the present name of the Logue Bros. & Co. A brother, Harry A., about eight years afterward joined with him. C. M. Logue died in March, 1914, and the business was incorporated under the control of Harry A. Logue as president. In 1920, Mr. Logue sold his interest and Col. Harry C. Fry, Jr. continued the operation until December, 1933, when he sold control to W. Ray Thomas. The son of the original founder, Edward A. Logue, is associated with the agency.

Judge W. H. Dithrich presided over the post prandial exercises and greetings were extended by President Thomas. The entertainment consisted of "The Rhythmic Development of Insurance" in 20 cycles with W. F. Viehman, Jr. acting as master of ceremonies.

Among the executives present were Harold Junker, vice-president Crum & Foster companies; A. E. Gilbert, vice-president Hanover Fire; R. T. Stewart, secretary North British & Mercantile; Otto Patterson, vice-president American Automobile; R. F. Van Vranken, vice-president Home of New York; Peter Berry, vice-president Security of New Haven; J. Scott King, secretary Continental Fire; P. L. Louis, agency superintendent Royal-L. & L. & G.; G. W. Unverzagt, president Allemannia Fire; J. S. Love, vice-president Home Indemnity; H. W. Smith, Home of New York, and A. F. Sanford of Pittsburgh, general agent Crum & Forster.

General Opens Newark Branch

NEWARK, July 15.—The General of Seattle has opened a branch office in this city, which will supervise and service Essex and Hudson counties and will also handle the non-reporting agencies in Bergen and Union counties.

E. H. Gray, well known in the field in the eastern section and formerly state agent of the company, and C. M. Herring, Jr., will be in charge of the office and territory. A. H. F. Schumm, who has been in the field in New Jersey for a number of years, is also affiliated with the office.

Two Massachusetts Cities Act

The National Fire Protection Association states that the fire department has completed its first fire prevention inspection of dwellings throughout Brockton, Mass. Approximately 6,000 dwellings were visited.

At Everett, Mass., as a result of conferences of the engineers with city officials, action will be taken to provide a modern and adequate building code. The engineers hope to secure the construction of a fire-resistive building which includes a drill tower and class rooms for the fire department training work and quarters for the safe housing of the fire alarm apparatus.

Fire Prevention Every Day

"Fire Prevention Every Day," the slogan of Ridgewood, N. J., a town of over 13,000 population, 22 miles from New York City, is effectively brought to the attention not only of the local citizens, but the traveling public as well. A pennant bearing the slogan, in large block type, is run up at sunrise every morning to the top of a flag pole on the railroad station plaza, by a fireman. Ridgewood has won three first-class honors and one honorable mention during the past six years in the state-wide contest for educational activities along fire prevention lines. Last year, it was second to Newark and Jersey City, which were tied for first place.

Replace Philadelphia Apparatus

PHILADELPHIA, July 15.—This city will spend \$100,000 this year to replace outworn fire apparatus, most of which is from 16 to 18 years old.

Chief Davis won an immediate appropriation of \$50,000 and another similar amount at the end of the year at a conference with Mayor Wilson, Chief

Flanagan of the Bureau of Building Inspection, Fire Marshal Clinton and Georgina Yeatman, director of city architecture. He had asked for \$500,000.

The mayor ordered specifications for apparatus changed to allow competitive bidding, adding that the city would live up to the National Board specifications. Where streets are being repaved, he will have high pressure pipes put in to reduce the fire hazard.

Fire Prevention Luncheon

NEWARK, July 15.—The fire prevention committee of the Newark Safety Council, most of the members of the committee being insurance agents and executives, will hold a luncheon and business meeting in Newark July 17.

Connecticut 1935 Results

In a summary of the Connecticut department report for 1935, Commissioner Blackall states that net premium income of fire companies in that state was \$11,197,210, increase \$43,589, while net losses paid were \$3,364,447, decrease \$203,379. The loss ratio on a written and paid basis was 30.05 as compared with 31.99 in 1934 and 36.31 in 1933.

The Connecticut stock fire companies had country wide premiums earned in 1935 of \$106,530,974, as compared with \$105,342,172 in 1934. Losses were \$37,896,250 as compared with \$40,820,622 in 1934. Loss ratio was 35.57 percent as compared with 38.76 percent in 1934 and 41.15 percent in 1933. Expense ratio was 52.25 percent compared with 51.15 percent in 1934.

Connecticut companies had an underwriting profit of \$13,083,536. Gross interest and rent earned by Connecticut stock companies was \$11,365,767, while dividends to stockholders were \$8,945,000.

Franke Company Buys Another Agency

The John R. Franke Co., Irvington, N. J., has purchased the business of Jacob Magin, who has been in the insurance business there since 1914. The firm has acquired a number of insurance agencies recently, including the Harold Hecht agency, Weber's agency and the Stanley-Franke organization.

News of Pacific Coast States

To Attend Chiefs' Convention

Large Delegation from California Will Be Present at the Pacific Coast Gathering

SAN FRANCISCO, July 15.—Headed by Jay W. Stevens, state fire marshal of California and chief of the fire prevention bureau of the National Board, more than 200 fire chiefs of California, their wives, city officials and department members, will leave San Francisco aboard a special train for Seattle, July 18, where they will attend the annual convention of the Pacific Coast Association of Fire Chiefs, July 20 to 23. Among the insurance engineers and experts who will appear on the program are: L. S. Bush, Pacific Board; Herbert Raines, National Board and J. K. Wooley, Washington Surveying & Rating Bureau, who will discuss "Fire Insurance Grading and Rating."

Arrangements have been made so that en route to Seattle and from there to the convention of the International Association of Fire Chiefs to be held in Toronto July 25 to 31, the Pacific coast contingent will attend daily sessions on fire-fighting in a specially equipped coach which will be attached to the special train on which the delegates will travel.

Coast Offices to Move

Pacific Coast headquarters of the Fire Association at San Francisco, under the

management of F. M. Avery, vice-president of the company, will be moved this week end to the new building at 425 Montgomery street, which houses the new offices of the insurance department of California. The Fire Association group will occupy the ground floor space which has been fitted up as one of the most modern and complete fire offices in the insurance district of San Francisco.

Mr. Avery who had been enjoying a two weeks vacation at La Jolla in southern California returned to his office to be on hand for the opening.

San Francisco is Criticized

The National Fire Protection Association reports that in San Francisco two recent fires caused the death of 11 persons. Clarence Heller, one of the members of the N.F.P.A. in making a survey, states that the inadequate city building code and lack of a comprehensive fire prevention code which interfered with the work of the fire prevention bureau of the fire department are the principal factors responsible.

Seek More Fire Protection

SAN FRANCISCO, July 15.—A hearing on the proposed ordinance to regulate operation of San Francisco restaurants, night clubs and similar estab-

lishments was held by the appeal and advisory board of the bureau of fire prevention and public safety. Restaurant operators oppose certain features but the board has been firm in its demands that a strong and binding law be adopted.

The draft for the new ordinance requires installation of automatic sprinklers and adequate exit facilities. It is directed mainly at buildings of frame and class C construction.

Price to Speak in Denver

DENVER, July 15.—Fifty officers of the Denver fire department, fire chiefs from cities and towns in the vicinity of Denver and members of the Mountain Field Club are expected to attend a meeting here Friday at which Dr. David J. Price, U. S. department of agriculture, is to talk on dust explosions during fire fighting operations and also developments in the industrial field.

He will leave Friday afternoon for Seattle, where he will address the Pacific Coast fire chiefs' meeting July 21. His talk will be illustrated with a sound effect film.

Schalk on Executive Committee

George D. Schalk has been named on the executive committee of the Insurance Exchange of Portland, Ore.



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Motor Insurance Events

Banks Cut the Interest Rate

Some Finance Car Purchases With 5 Percent Factor; Others Use 7 Percent Simple Interest

Some of the banks which have entered the field of automobile financing are now quoting interest rates below those charged by the national finance companies. Some of the banks, for instance, use the 5 percent instead of the 6 percent factor. That is, they charge interest amounting to 5 percent of the amount of the loan at its inception. Others are charging 7 percent simple interest which cuts below even the 5 percent factor.

Some banks rely entirely upon direct advertising to customers of the banks to get loans. Others have made arrangements with automobile dealers. One arrangement that is being carried on is for the banker to give any dealer in town a "reserve" of 1½ percent on the amount borrowed by any one purchasing a car from any dealer and financing through the bank. The banker tells the dealer he will pay him this "reserve" where the customer goes directly to the banker on his own initiative, without the intervention of the dealer. In return the banker requests the dealer to refer a certain number of his customers to the bank for financing rather than to the national finance companies. He tells the dealer that he realizes he must maintain his relations with the national finance company and the banker requests only a moderate amount of business. This arrangement has been productive where it has been intelligently used by bankers.

Arrange for Mexican Travel

Automobile Writing Companies Will Accommodate Tourists That Travel in the Southern Republic

NEW YORK, July 15.—While neither the standard automobile fire and theft, nor the public liability and property damage policies cover outside the limits of the United States and Canada, rider extensions to both types of contracts may be secured to cover in Mexico. It was early assumed that many American tourists visiting the Dallas exposition would be tempted to continue their journey into Mexico, particularly since the international highway from Laredo, Tex., to Mexico City has been completed, and such has proven the case. The fire companies require a slight additional premium for the Mexico concession, though casualty offices generally grant a ten days' privilege, without special charge. Should assured plan a longer stay, the additional charge required by casualty companies is based on the length of the proposed trip and the regions it is planned to visit.

Adopts Relief Rule

The National Automobile Underwriters Association has adopted a relief rule under which members are given considerable latitude in competing for finance accounts against non-members.

Rate and Rules Book

NEW YORK, July 15.—Copies of the country-wide rate and rules book being prepared by the National Automobile Underwriters Association are expected to be ready for delivery to subscribers about Aug. 1. The work, a composite of the score or more sectional manuals issued by the organization, is intended for the convenient use of head office underwriters, branch managers and general agents having jurisdiction over extended

fields. Of the loose leaf variety, with pages of letter size, the work will be kept up to date through the issuance of revisions from time to time for the succeeding 12 months.

Safety Glass Standards

For the first time motorists will be protected by standards based on engineering tests to assure high quality safety glass, according to an announcement of the American Standards Association. These standards and tests cover minimum strength and freedom from shattering, and provide against discoloration or separation of the layers of the glass.

Before the American Standards Association developed American standard

safety glass specifications it was impractical for the automobile manufacturer to furnish a safety glass that would be acceptable in all states, because there was no recognized standard to which he could refer.

Report on Auto Premiums

OKLAHOMA CITY, July 15.—Last year the 163 foreign stock fire companies licensed to write motor vehicles for all hazards except liability, wrote \$711,761 fire and theft net premium, paid losses of \$258,117 with loss ratio of 36.27 percent. They collected net premiums under all other classes of \$1,495,798, paid losses of \$687,150, or a loss ratio of 45 percent.

MARINE INSURANCE NEWS

Heavy Value in Yachts Seen

Agreement Reached at Miami Which Will Lessen the Cause of Explosion and Fire

At Miami, Fla., the N. F. P. A. reports that in a bid for the winter yachting business in the south two large basins are maintained on the Miami shore front for yachts and motor boats. One of these is city owned. The other, the Royal Palm, is a private enterprise of the Florida East Coast Hotel Company. At varying times during the season the value of yachts and motor boats in each of these basins is estimated by marine surveyors to be between \$2,000,000 and \$7,000,000. Congestion is such that this value is subject to complete destruction in a single fire.

The N. F. P. A. says that at the request of certain affected marine underwriters, its engineers conferred with the

operators of the basins and fire department officials. One result is agreement of the fire department to secure adoption and enforcement of an ordinance requiring that the fueling of yachts and boats with gasoline from tank boats be performed only outside of the basins. At present these boats are allowed to operate indiscriminately in the basins with great potential hazard to the huge property value.

New Marine Forms Are Not Ratified for Use in Kansas

Neither the new personal property floater form and rules nor the new personal effects form and rules can be used in Kansas at present, due to the fact the insurance department has not approved them. The Inland Marine Underwriters Association therefore has bulletined members authorizing use of the old forms until further notice and is

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endeavoring to secure approval of the new forms by the Kansas department. The new personal property floater form and rules became effective July 1 and the personal effects form and rules March 1.

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Alan H. Bonito & Co., inland marine and all-risks agents, have opened a branch office in the Cuyahoga building, Cleveland, to serve agents in Ohio. John W. Walker is manager. Alan H. Bonito & Co. have their head office in New York City. Branch offices are also maintained in Chicago and Philadelphia.

American Vessels Barred

American marine insurance companies will be affected by the Canada shipping act, effective Aug. 1. One part of the act relates to lake shipping and provides that merchandise or passengers carried between two Canadian ports must be in Canadian or British vessels. This will exclude American ships, which have been very active in the trade in competition with Canadian lines. In this respect the act is the same as the United States law which for years has prohibited Canadian vessels from operating between American ports.

Marine Definition in Arkansas

In response to an inquiry from the committee on interpretation and complaint in connection with the marine writing definition, Commissioner Gentry of Arkansas stated that he has permitted modification of the marine definition only to the extent of sanctioning sale of the comprehensive household policy. The committee was under the impression that the definition had been otherwise modified in Arkansas, but Mr. Gentry assures the committee that it has not.

Introduce Agreed Amount in West

(CONTINUED FROM PAGE 3)

agreed amount endorsement would expire March 1. Those framing the endorsement decided the company should have a readjustment of the amount of the insurance after the end of each fiscal year.

The fallen building clause waiver endorsement may be attached to the fire policy for an additional charge of 10 percent of the fire rate. It provides:

"In consideration of the \$..... additional premium and subject to conditions herein provided, the provision in this policy to the effect that if the building or any part thereof falls, except as a result of fire, all insurance by this policy shall immediately cease, are hereby waived; provided, however, that this company shall not be liable for damage caused by the fall of any portion of such building from a cause other than fire, unless fire ensues, and then for the damage by fire only."

On the Coast, the fallen building clause is extensively used. It is attached to about 80 percent of the dwellings in California. The form on the Coast reads substantially as does the new clause in the west, but it mentions specifically that the company shall not be liable for loss by earthquake unless fire ensues and then only for the damage by fire. On the Coast, there is a charge of 5 cents for attachment of this clause to policies covering frame dwellings, 10 cents for brick dwellings. On other classifications the extra charge goes as high as 16 cents. It is not likely that the fallen building clause will be extensively sold in the middle west, because people in that territory are not conscious of any particular earthquake hazard. It will probably be used on liquor warehouses, mills, etc. It may compete to some extent with the Aetna Fire and London Lloyds which have been selling collapse insurance. However, the fallen building

clause does not cover the damage of collapse, but only the loss should fire ensue.

Agreed Amount Clause

The agreed amount endorsement reads as follows:

"In consideration of the execution by the insured of the certified statement entitled Use and Occupancy Value Certified Computation Sheet, dated upon which the rate is based, and the rate and form under which this policy is written, it is made a condition of this policy that the application of the Contribution Clause in the form attached to this policy is suspended in the determination of any loss under this policy due to fire occurring after the date of this endorsement and prior to and in lieu thereof the following clause is, during such period of suspension, made a part of this policy:

"In consideration of the rate and form under which Item I and/or Item II of this policy are written, this company shall be liable for no greater proportion of any loss than the amount hereby covered under each respective item, bears to,

"(a) Under Item I, \$.....

"(b) Under Item II, \$.....

"After the expiration date specified in this endorsement, the Contribution Clause in the form attached to this policy is automatically reinstated.

"In no event shall this Agreed Amount Endorsement be effective beyond the expiration date of the policy to which it is attached.

"When attached to a Tornado Policy, wherever the word fire appears in this endorsement, it shall be construed to mean tornado, cyclone or windstorm."

The full amount clause, which is to be used in lieu of certification of the work sheet by an independent auditor, reads as follows:

"In no event shall liability under Items I and/or II of this policy exceed that proportion of any loss under this policy which the amount of use and occupancy value shown on lines Nos. 10 and 14 of certified statement entitled Use and Occupancy value certified computation sheet, dated executed and filed by insured as actual values for year past and ending bears to the respective actual values for that period."

Inherent Explosion Change

Among the other changes is a new inherent explosion clause incorporating a \$100 deductible feature for use on public service properties of the electric generating station and boiler house class. This was adopted as a recommendation of the Central Traction & Lighting Bureau.

Then the list of eligible risks for single state average rate reporting form No. 1, form A and for the merchandise and fixture form has been broadened to include condensed and/or evaporated milk plants in lieu of the milk condensary class heretofore.

The list of eligible risks for single state reporting form No. 2 and form B has been broadened to include vegetable oil mills as contrasted with cotton seed oil mills previously and addition of preserving factories to the eligible group. In connection with single state reporting form B, provisional premiums may now be computed on 50 percent of the sum of the annual premium or limit of liability, as the case may be.

There is a new windstorm and hail rule providing for blanketing contractors' sheds, equipment, scaffolding, hoists, derricks, etc., with the builder's risk and at the builder's risk rate under certain conditions.

White in Temporary Charge

TORONTO, July 15.—W. L. White, Winnipeg manager of the London & Lancashire Guarantee & Accident, is in charge of Canadian operations of the company pending the permanent appointment of a successor to the late L. C. Evans, who was recently killed in a motor accident. F. W. Spencer, for many years an inspector, has been appointed superintendent of agencies, a new office. Lawrence S. Evans, a son of the late manager, has been made an inspector of that company and of the casualty department of the Law Union & Rock.

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AMERICAN STATES INSURANCE COMPANY
INDIANAPOLIS, INDIANA

The NATIONAL UNDERWRITER

July 16, 1936

CASUALTY AND SURETY SECTION

Page Twenty-seven

Gives Explanation of Retrospective

Vice-President J. W. Randall of Travelers Speaks to New England Agents

TELLS ABOUT NEW PLAN

Frank Talk Reveals Some of the Main Features of the Compensation Rating Program

By RALPH E. RICHMAN

What is believed to be the first workmen's compensation insurance contract based on the principles of retrospective rating, was written in December, 1930, by the Travelers, according to J. W. Randall, vice-president, who prepared the contract. He gave this information at the meeting of the New England Associations of Insurance Agents at Manchester, Vt.

This contract was written before any known application of the principles of retrospective rating and before any discussion of it in the insurance press.

Dictated First Contract

Mr. Randall dictated the first contract based on the principles of retrospective rating from a sick bed at his home in December, 1930. He had been approached in August of that year with a proposal to write a premium exceeding \$1,000,000 upon a cost plus basis. In December, 1930, the issue came to a head when he was ill with influenza. On the first day when he was permitted to receive visitors, the negotiators from the industrial plant went out to his home and there the contract was prepared and an agreement reached. At that time the plan was not called retrospective rating.

Called for Action

Not much further was done in the direction of retrospective rating during 1931 and 1932. But in 1933, said Mr. Randall, workmen's compensation experience insistently called for action. The ultimatum was to cancel the business or find some other way to handle it. Then began in earnest the application of the principles of retrospective rating. First it was necessary to use the standard rate as a minimum for most states. Then applying the principle that the large employer should pay his own normal losses but provide insurance for abnormal losses, it was necessary to ascertain from study of risks already on the books what might be considered the lower limit of normal losses and the amount of premium above that which on the average would produce sufficient income for the companies to take care of the abnormal losses.

From a survey of risks on the books, a reasonable loss minimum was established. The Travelers has now used the plan for five years, has written millions

(CONTINUED ON PAGE 32)

Mutuals' Substitute for High-Low Plan Is Given

The American Mutual Alliance this week announces the details of the so-called supplementary rating plan which the mutual companies have submitted to the National Council on Compensation Insurance as an alternative to the retrospective rating or high-low plan for large risks, which is favored by the stock companies. The supplementary plan is pretty much of a brain teaser and for those who have had difficulty in mastering the retrospective idea, the complications of the supplementary plan will appear even more baffling on the first few readings, especially under prevailing weather conditions.

The American Mutual Alliance summarizes the procedure in arriving at the supplementary rate as follows:

Application of Plan

"The risk premium is first determined on the basis of the rates produced by the present experience rating procedure. This is called the standard premium. A portion of the standard premium is set aside to provide for large or 'excess' losses, together with the approved expense loading on that part of the premium only. The portion so set aside is determined on the basis of the risk's own past experience as developed through the present experience rating plan. There is also set aside, as a second item in the final premium, 20 percent of the remaining standard premium, to provide for part of the expenses applying to the administration of the small, or 'normal,' losses. The actual losses of the risk within the limit for each case specified as 'normal' in the experience rating plan are converted to a premium basis by a factor which applies the balance of the full expense loading not included in the first two, or fixed, elements. The sum of these three elements constitutes the final premium under the supplementary plan."

Below is given an illustration of calculation of final premium under plan where allowable loss ratio is 60 percent.

1. Audited standard premium.....	\$25,000
2. Risk excess ratio.....	.25
3. Partial premium ratio.....	
$(.20 + .80 \times (.2))$40
4. Partial premium $(3) \times (1)$	\$10,000
5. Incurred normal losses under policy (30% normal loss ratio).....	\$ 7,500
6. Normal loss conversion factor 1.333	
7. Normal losses converted to premiums $(5) \times (6)$	\$10,000
8. Final premium $(4) + (7)$	\$20,000

Partial Premium Formula

Below is given the formula for arriving at the partial premium:

The partial premium is equal to the excess premium plus 20 percent of the normal premium.

E = Risk excess ratio
 N = 1 — E = Risk normal ratio
 S = Standard premium
Partial Prem. = $ES + .20 NS$
 = $ES + .20 (1 - E) S$
 = $.20 S + .80 ES$
 = $(.20 + .80 E) S$

Partial premium ratio to be applied to standard premium = $.20 + .80 E$

The Alliance points out that on Thursday of this week the rates committee of the National Council will consider the supplementary plan. The mutual companies have opposed retrospective rating and have refused to support

it. As a result of the deadlock between stock and mutual companies the retrospective rating plan finally went to the board of appeal of the National Council, which has not yet come to a decision.

Wants Thorough Study

"The mutual carriers," the Alliance states, "did not propose their plan for immediate adoption but urged that it, together with the retrospective rating plan, be given thorough consideration by the technical committees of the council for the purpose of finally developing a program which would eliminate the weaknesses and objections to the retrospective rating plan and more nearly carry out the announced purposes for which the retrospective rating plan was offered."

"While the mutual carriers did not vote against the retrospective rating proposal as offered by the stock carriers, they could not support it because they have grave doubts that the plan would provide an effective incentive for accident prevention and safety work. They shared the views of many outside of their ranks who pointed out certain serious defects in the plan which make it unsound in the long run for the insuring public and for the insurance carriers. In addition, there are some features of the retrospective rating plan which make it unlawful in some of the states. Their doubts were further increased by the fact that Commissioner DeCelles (Massachusetts), who so strongly advocated retrospective rating, approved the stock plan for trial only and stated that 'the plan as it stands today is far from perfect in its operation.'"

"The retrospective rating plan was developed outside of the rating bureaus and about all that the bureaus had to do

(CONTINUED ON NEXT PAGE)

Futz Finds De Celles Takes Sound Position

EIGHTY-FOUR, PA., July 15. Joseph Futz, leading insurance man, has received a copy of an insurance publication sent by the Pennsylvania state manager of the Halifax Insurance Co., in which is a copy of a speech made by Insurance Commissioner De Celles of Massachusetts before the agents of New England in which he denounced branch offices. Commenting on this speech Agent Futz said: "This is one of the best speeches I ever read. I see that Commissioner De Celles uses all the points I made in a letter to Commissioner Hunt of Pennsylvania. Of course Hon. Hunt sent my letter to Hon. De Celles and the latter used my arguments which will convince any one who is back of the U. S. A. agency system. I am doing all I can to keep branch offices and snide companies out of Eighty-Four because they create communists."

Chicago Plan Now Before Committee

Surety Acquisition Cost Conference Group to Hold Meeting Next Week

HOPE TO REACH ACCORD

Selection of Arbitrator Will Be One of the Main Features of the Program

NEW YORK, July 15.—When the committee of the Surety Acquisition Cost Conference that had been working for some time, endeavoring to perfect an arrangement for Chicago, meets here next week the expectation is that the final hurdle to conclude the plan will be successfully taken, and the committee will then devote study to the selection of an arbitrator. The only point at issue, admittedly a troublesome one, hinges on the insistence of some branch offices that the new class of "city agents" be allowed to pay brokerages, but confidence is felt that accord on the question can be reached and every effort will be put forward at the forthcoming meeting to attain that objective.

Will Get an Arbitrator

Once launched the success of the agreement, it is appreciated, will depend upon the skill displayed by the person selected as arbitrator. While a score or more names have been informally talked of for the post, none has been agreed upon, nor will choice be made until a thorough study of the situation be given. The ideal man for the post, it is agreed, must be of high standing in the home community; possessed of an analytical mind; eminently fair in arriving at conclusions, and, above all, firm and diplomatic. When such person is found the next step will be to sell him the proposition. It must be a case of the office seeking the man, and not a man hunting a position. If the right person be secured confidence is expressed that the surety situation in Chicago will soon be functioning as smoothly as that in California and in this city.

CHICAGO MEN'S VIEWPOINT

The Chicago general agents have been following closely developments in the project to introduce a new system of acquisition cost control in Chicago. Some of the general agents have felt slighted because they have not been kept more closely advised of the progress of the negotiations, nor of the details of modifications in the program.

One of the important general agents in the city states that the company people seem to assume that to settle the matter once and for all, all that is needed is to get the National Bureau of Casualty & Surety Underwriters and the Chicago branch managers in accord.

This general agent voices the opinion that most of the Chicago general agents are not in accord with the position of

(CONTINUED ON PAGE 33)

Liability of Municipalities Is Now Important Question

NO UNIFORMITY IN OPINION

Subject to Be Discussed at Michigan Association Roundup Sept. 11-12 at Battle Creek

BY GEORGE BROWN

DETROIT, July 15.—One of the questions constantly bobbing up on a state association secretary's desk is regarding the liability of a political subdivision, city, town, village, and even of the state itself, for accidental death, bodily injury and property damage.

One city attorney will give his version while his successor may reverse the decision. The attorney general of one state may not agree with his brother official in the neighboring state. On occasion, the decision depends upon the non-profit status of the community governmental department. In Detroit, where the street railway and bus system is municipally owned and conducted on a profit making basis, there appears to be no question as to the legitimacy of a claim while other claims made on the common council are judged solely on their "moral" merits.

In other Michigan cities in which water supply and garbage collection service is charged for, it is usually admitted there is an unquestioned liability for injury or damage caused by employees or by the machinery of the plants and equipment concerned.

A Mt. Vernon, Wash., news item states the city council has included in the 1937 budget an expenditure of \$260 for premium on a \$50,000 public liability policy. The Oregon supreme court has ruled that cities in that state are liable for personal injuries that are suffered on public playgrounds. The court held that due care must be exercised to render such places reasonably safe and that failure to do so may subject the city to damages for injuries resulting from such negligence.

In planning a program that will differ from the usual convention set up of speeches and addresses, the program committee of the Michigan Association of Insurance Agents, which will hold its fall round up in Battle Creek Sept. 11-12, has secured Roberts P. Hudson, president Michigan State Bar Association, as a speaker on the legal angles involved in community liability.

Bartholomew Takes to Sea

V. H. Bartholomew, Chicago manager Standard Accident, is brushing up on marine terminology, is learning to box the compass, and to sing "Anchors Aweigh," due to the fact he is now the proprietor of a 35-foot cruiser. This craft formerly belonged to President Charles Bowen of the Standard Accident, who has decided to abandon the naval life. In the fall, Mr. Bartholomew intends to maneuver his boat down the Mississippi and then to Miami, where it will be kept permanently.

Krist Is Solely Supervisor

J. J. Krist, vice-president of the Washington National of Chicago in charge of the eastern division and manager of the Baltimore district, has relinquished management of the district. He has spent more than 25 years service with the company. He will give his entire time to supervisory work in the east. Mr. Krist is especially well known to industrial men throughout the country.

L. D. Yates, formerly field superintendent in the Washington, D. C., district, who was made assistant manager at Baltimore the early part of the year, has been appointed manager.

First Reinsurance in Nebraska

LINCOLN, NEB., July 15.—License to do business in Nebraska has been issued to First Reinsurance.

AUTOMOBILE RATIOS ARE GIVEN

The following table shows the liability suits of companies in proportion to automobile earned premium for the three years ending Dec. 31, 1935:

Companies	Earned Auto Liab. Pems.	No. of Suits per \$100,000 of Prem.
Aetna Cas. ...	10,416,795	673
Aetna Life...	15,042,725	1,055
Amer. Auto...	14,480,481	1,232
Amer. Empl...	4,733,690	842
Assoc. Indem.	2,114,499	192
Bank. Indem.	3,528,667	657
Car & General	2,037,640	380
Centl. Surety	4,056,057	269
Cent. Indem...	5,451,933	1,038
Coml. Cas....	4,720,955	664
Contl. Cas....	8,063,891	988
Eagle Indem.	2,744,136	338
Employ. Liab.	22,557,761	3,709
Fid. & Cas....	13,548,018	1,614
Firem. Fd. Ind.	3,083,509	358
General Accel.	19,803,737	1,961
Genl. Cas. of Amer.	2,639,462	162
Glens Falls Ind.	5,305,338	608
Globe Indem.	12,560,194	1,786
Gr. Am. Indem.	6,344,291	1,006
Hartford Accel.	22,503,010	2,841
Home Indem.	2,413,244	522
Ind. of N. Am.	9,238,773	920
London Guar.	5,381,220	675
Long. & Lanc.	2,932,645	339
Maryland Cas.	12,895,329	2,466

Mutuals' Substitute for High-Low Plan Is Given

(CONT'D FROM PRECEDING PAGE)
with it was to vote on it. The supplementary rating plan was likewise developed by the mutual companies outside of the bureaus, but was offered to the National Council as an illustration of what might be done in eliminating at least some of the weaknesses and defects of the plan under consideration. They suggested, however, that neither plan be finally approved until the council itself had had every opportunity to test the proposals and to gather such information as was needed for that purpose. The mutual companies believe that there cannot possibly be any competitive considerations in the development of any program designed to further accident prevention and safety measures, for all companies regardless of type are interested in reducing accidents.

"While the mutual carriers are of the opinion that the declared objectives of the retrospective rating plan can best be met, in the interest of the employers and the carriers alike, by changes in the present experience rating plan, and have proposed that a study be instituted immediately looking toward such changes, they, nevertheless, are willing to work with the stock companies and the insurance commissioners in a searching study of the retrospective rating idea. The retrospective rating plan affects less than 1 percent of the compensation risks. An improved experience rating plan would benefit a larger number of risks, and the mutual carriers believe that much can be done by way of improving the accident record in the case of risks paying premiums of less than \$5,000.

Single Serious Loss

"The retrospective rating plan penalizes the risk unduly for the occurrence of a single serious loss which of itself might not be an indication of the true inherent hazard of the risk. Since one such serious loss might throw the risk's premiums to the specified maximum under the plan, all incentive for accident prevention might be lost early in the policy period.

"The mutual companies believe that if a cost plus or a retrospective basis is considered desirable (and there is some doubt that any widespread public demand for such plan exists), the problem can be approached on a much better basis along the lines which they have incorporated in the suggested supplementary rating plan. This plan attacks the problem from the point of view that the employer can bear, as an ordinary cost of production, the cost of

Mass. Bonding	9,196,595	2,053	22.3
Metropol. Cas.	4,962,772	913	18.4
New Am. Cas.	10,322,710	1,619	15.7
Norwich Un...	2,210,000	207	9.4
Ocean Accel...	7,586,708	837	11.0
Ohio Cas.	4,569,142	217	4.8
Pacific Ind...	3,725,770	343	9.2
Phoenix Ind...	2,681,153	330	12.3
Preferred Ac...	4,636,790	1,238	26.7
Royal Indeml.	10,230,379	1,177	11.5
St. Paul Mer...	2,220,030	168	7.5
Standard Accel.	8,339,572	761	9.1
Stand. S. & C.	2,031,431	360	17.7
Sun Indem...	5,396,619	887	16.4
Travelers Ind.	828,404	114	13.8
Travelers Ins.	40,166,629	5,292	13.2
Trinity Univ...	2,284,089	172	7.5
U. S. Cas.	3,683,906	449	12.2
U. S. F. & G...	15,355,127	1,407	9.2
U. S. Guar...	4,336,928	364	8.4
Westn. C. & S.	2,711,703	427	15.8
Yorkshire Ind.	1,335,190	135	10.1
Zurich	8,773,610	1,091	12.4

Totals and Average ...\$376,183,257 47,856 12.7

Mutuals			
Amer. Mut....	6,038,153	1,067	17.7
Fact. Mut. L.	5,538,338	665	12.0
Liberty Mut.	16,492,283	3,142	19.1
Luberm. Mut.	25,721,688	3,150	12.3

Totals and Average ...\$ 53,790,962 8,024 14.9

small losses, which are largely subject to his control. For the more serious losses, however, which occur less frequently and may run to large amounts, determined sometimes in great measure by the injured workman's status as to dependents, the employer requires full insurance protection. The supplementary rating plan recognizes this situation by providing a method whereby the final risk premium is determined partly from the actual cost of small losses incurred under the policy and partly from spreading the cost of large chance losses over many risks in accordance with accepted insurance principles.

"A plan which embodies the features of the supplementary rating plan provides a strong incentive for accident prevention which continues during the entire life of the policy, since the final premium is determined not by the total losses, which may include costly individual cases, but only by that portion of the losses directly influenced by accident frequency and thus more readily subject to control by the employer. Full insurance protection is given for each large loss whether it occurs early or late in the policy period. The policyholder obtains the benefit of successful efforts to reduce accidents.

Radical Departure

"The supplementary rating plan has the further advantage over the retrospective plan of being easily susceptible of modification as to apply to risks under \$5,000. This can be done by setting a lower limit of 'normal' loss per case. Conversely, the limit of normal loss per case can be raised to an amount double or triple that specified in the experience rating plan. Thus the particular degree of insurance protection on large losses suited to the needs of the risk can be provided by the Supplementary rating plan.

"The mutual companies have always taken the position that any radical departure from the recognized rating procedure should receive very thorough consideration before it is offered to the public. They believe that hasty action in connection with so radical a change as the retrospective plan, against which so much objection has been raised by employers, insurance buyers, agents, brokers, and others, is unwise and that the plan should not be adopted even experimentally because the necessity for changes to eliminate weaknesses might be so frequent as to ultimately destroy confidence in the recognized compensation rating procedure."

The term normal losses as used in this plan shall mean that portion of each indemnity loss incurred during the policy period which is not in excess of

(CONTINUED ON PAGE 34)

To Confer on Motor Forms With the I. C. C. People

MEETING TO BE EXECUTIVE

Discussion Will Be Over the Requirements That Will Be Placed on the Carriers

WASHINGTON, July 15.—Representatives of the insurance companies will confer July 17 with officials of the motor carrier bureau of the Interstate Commerce Commission regarding the adequacy of proposed forms drafted by the insurance division, on which motor carriers will be required to report their compliance with the insurance requirements of the motor carrier act.

The conference will not be an open meeting, but is being held to enable the ICC to secure the suggestions of the insurance companies. No copies of the proposed forms have been distributed, since they have not received the approval of the commission.

The forms will call for complete information to evidence that the carrier has complied with the requirements, and will call for such data as the type and extent of coverage secured, the number of vehicles protected, routes, etc.

Large Proportion of Cars with Defects Is Indicated

Sixty percent of automobiles on the highways are mechanically defective in some vital respect, it is indicated by inspections conducted by a large eastern automobile club which established a safety lane, the Fidelity & Casualty of New York reports. Either compulsory automobile inspection or voluntary check of cars is needed to prevent accidents due to faulty equipment, the company states.

The eastern tests showed 28.1 percent of cars inspected had defective brakes, 31.7 percent inadequate headlights and 5 percent wheels out of alignment. About 90 percent of motorists had not appreciated their cars were mechanically defective. The Fidelity & Casualty on the basis of these tests estimates that some 15,700,000 of the 26,167,000 registered cars in the country have serious faults, being menaces to drivers, their families and others.

Representatives of the Fidelity & Casualty throughout the country have been urged by the head office in contacting car owners to recommend immediate inspection of car and equipment and prompt correction of faults, as a means of preventing the inevitable result of compulsory inspection, such as recently was made effective in New Jersey.

Will Meet in San Francisco

The annual meeting of the International Federation of Commercial Travelers Insurance Organizations will be held at the Palace Hotel, San Francisco, Aug. 24-25. The delegates will stop en route at the Glacier National Park.

John S. Whittemore of the Commercial Travelers Eastern Accident, Boston, secretary-treasurer of the association is in charge of the arrangements for the meeting.

Expect National Surety Appeal

NEW YORK, July 15.—Although appeal from the supreme court decision awarding stock of the National Surety Corporation to the Commercial Investment Trust at its bid price has not yet been filed, it is strongly intimated such action will be taken by attorneys for the bondholders committee, and possibly by other interests, before the allowable 30 or 60 days expire.

Compensation Creditors' Bond Is Construed in N. Y.

VAN SCHAICK IS UPHOLD

Each Instrument Supersedes Previous
Bond as to Future Defaults Regard-
less of When Policy Issued

Bonds given by casualty companies operating in New York state for the special protection of compensation claimants against such companies supersede all previous bonds as to all future defaults, regardless of the time when the particular policy covering the loss was issued and regardless of the bond which was current when the policy was issued.

This was the decision of the court of appeals of New York, upholding the position of the New York liquidator of International Reinsurance and holding against the main receiver in Delaware.

The Delaware receiver contended that each such annual bond continued in full force and effect and constituted security for any and all losses incurred upon policies issued during its currency, regardless of when the losses and defaults might occur. If the position of the Delaware receiver had been upheld, it would have meant that there would have been only \$971 liability against the bond and special deposits put up by the International Reinsurance in New York for the special protection of compensation claimants.

The law in question is section 54, subdivision 7. It was this law that caused such a controversy with other commissioners and caused some states, notably Oklahoma, to take retaliatory measures against New York companies.

After International Reinsurance absorbed Independence Indemnity and Public Indemnity, it became necessary for International to furnish statutory security. As of Jan. 5, 1933, International filed a bond for \$112,000 upon which the now defunct General Indemnity of Rochester, N. Y., was surety. The bond was supplemented by a deposit of certain securities and first mortgages having a par value of \$385,000.

Present Alternative Plans

In April, 1933, International was declared insolvent and three receivers were appointed in Delaware. Thereafter, the New York superintendent filed a report proposing alternative plans relating to the manner in which the rights of the New York compensation creditors of International and its subsidiaries should be enforced as against the various sureties on the qualifying bonds and against the special deposits of securities and mortgages. The Delaware receivers filed objection to both plans.

One of the alternative plans contemplated a ratable distribution among all compensation creditors of a fund to be made up of the proceeds of deposited securities and mortgages, and augmented by the proceeds of any recovery under General Indemnity.

The referee held that when a new bond is given pursuant to the requirement of subdivision 7 for an annual renewal, the former one is superseded as to future default by the renewal bond and that since the deposit of securities is in lieu of a bond, the same rule applies to the deposit.

This decision establishes two principles of New York compensation law:

(1) That security posted in New York for the protection of compensation claimants may be directed to no other purpose; and,

(2) That there can be no question of the constitutionality of New York's right to provide preferences for individuals with claims arising out of injuries sustained during industrial employment in that state.

The question is national in scope because of similar legislation in other states, and because in at least one state, Missouri, the federal circuit court placed a different interpretation upon a similar qualifying bond.

Made Secretary



PAUL G. GAREY

Paul G. Garey, assistant secretary of the Metropolitan Casualty and Commercial Casualty, has been elected secretary of both companies. He is head of the accident and health department and has been successful in a large way. R. H. Brusoe becomes assistant secretary and will continue in charge of the claim department. Mr. Garey started with the old Prudential Casualty of Indianapolis, which was later merged with the Chicago Bonding. He was superintendent of the accident and health department. On his return from the war he started his own agency at Indianapolis and left in 1921 to join the Commercial Casualty at its head office in Newark. His department produced more than \$3,000,000 in premiums last year.

Mr. Brusoe joined the Commercial Casualty in November, 1927, having previously been with the Massachusetts Bonding in charge of its accident and health claims. Prior to that he was with the old United States Health & Accident of Saginaw, Mich., which was taken over by the Massachusetts Bonding.

North Dakota High Court in Ruling on Liquor Coverage

PIERRE, S. D., July 15.—The state supreme court holds the legislature was acting within its constitutional rights and authority when it added to the state liquor law that bonds of liquor dealers must be provided through "stock" companies as defined in the provisions of Article 1, Chapter 5, Part 19, of Title 6, Code of 1919, and that bonds written by mutual surety companies are not valid.

The court ruled the discrimination charged is not a valid one, as the legislature has the right to make distinction between different classes of companies, and apparently exercise that right in enacting the liquor law. The decision came in suit brought by a mutual of this state against the state liquor commission under title of George Barnett vs. State Liquor Commission.

Prime Succeeds Keating

NEWARK, July 15.—Selwyn F. Prime, who has been with the Employers Liability group for 24 years, principally claim work, and for the past five years superintendent of claims for the group at Albany, N. Y., has been transferred to the Newark branch office in a similar capacity, in charge of northern New Jersey. He succeeds William Keating, who has been transferred to Chicago.

Read, Philpott in Lively Controversy in Oklahoma

OKLAHOMA CITY, July 15.—Strained relations that have existed among members of the Oklahoma insurance board for the last year or so have resulted in the refusal of Commissioner Jess G. Read, who is also president of the board, to sign minute records of several meetings.

Although in perfect accord on many of the major issues, such as agency cleanup and the like, differences have crept into the meetings on matters of less magnitude.

Commenting upon the fact, the president said he had never declined to attach his signature when the records stated facts.

The board is composed of three members: Mr. Read, president; Sharpe W. Philpott, secretary, and State Fire Marshal W. C. Theimer, member. Read's office is elective, the other two are appointees of the governor.

Read Feels Slighted

All three members are reluctant to discuss the matter although it is known that Mr. Read feels that political pressure has been exerted against him and although holding the office of president, he feels that he has been ignored and given little or no consideration nor voice.

He objected strenuously to adoption of a recent resolution, presented by the secretary, and voted 2 to 1, which provided that refusal to sign the minutes by a member should be considered a negative vote. His objection was based on the contention that "a member's signature might be refused because of one sentence, while he was in perfect accord with the rest of the minute record."

Disagreement appeared early in January, 1936, over dismissal of an employee who had been with the board for four years. This was effected during the absence of Mr. Read from the city. Upon his return he called a meeting to protest the dismissal during his absence. By vote of the president and Mr. Theimer she was retained.

Examination of State Fund

Another point of discord arose when copies of an examination of the state insurance fund were issued as having been approved by the board and signed by the secretary, when that body had officially declined to approve it. The examination was not made by the board's auditor, which point Mr. Read challenged.

The president disclaimed all responsibility when authority was given in the name of the board to a local weekly publishing company to circularize insurance companies and others, in order to sell copies of the Oklahoma insurance laws, claiming that they had approval of the state insurance body.

He also denied responsibility and all knowledge of the board's authorizing an investigator to go into Missouri to examine certain auto liability companies of that state, without first conferring with Missouri officials. The move was made in connection with granting 1936 licenses.

The board had unanimously voted to require all companies seeking license in Oklahoma to write automobile public liability and property damage insurance to provide that body with experience and all policy forms used by them in this state. The procedure was protested by Commissioner O'Malley of Missouri as not conforming with orderly examinations. Secretary Philpott contended that in executing the order of the board, the Missouri companies had failed to submit the necessary information and through this means he had been able to obtain it in full.

Protest was voiced by the president when the secretary insisted upon writ-

ing into the minute record of the May 7 meeting, a statement of his policy on insurance matters in the state, as representative of the administration. Secretary Philpott posted the statement into the record claiming the right on point of personal privilege and that the matter was not subject to majority vote by the board. That body, by vote of the other two members, had ruled that such inclusion should be tabled until the chairman could prepare a reply.

Mr. Philpott's statement was in part:

"I am responsible to Governor Marshall to carry out in the state insurance board the principles of his administration as they affect the public through the policies they hold in every form of insurance. It is well known that the governor is a friend of the insurance business, its officers and their agents, and is also one of its largest buyers. It is likewise well known that the governor has but one idea in mind and that is that the people who buy insurance from admitted companies in the state of Oklahoma shall have maximum security at the lowest reasonable cost consistent with insurance company solvency.

"My range of duty embraces the entire field of insurance and in the discharge of that responsibility I shall measure every phase which comes before the insurance board in the light of public policy and equitable regulation.

Charge "Flagrant Abuses"

"One phase which comes before the board at the moment pertains to the standard by which foreign insurance companies have been permitted to do business in Oklahoma. I cannot give my approval to license any company whose financial status or whose method of conducting their affairs registers doubt and distrust in my own mind. There are flagrant abuses brought about by lax licensing methods which have been permitted to exist and, apparently, growing worse in recent years. Specific instances will be pointed out in cases up for consideration at this meeting. To verify this, all one needs to do is to step into the actuarial office and get facts and figures of startling proportions.

"The administration looks to the future security of every policyholder. Every policy covering liability insurance, insofar as it pertains to third party claims, contains a contingent liability which may run for a period of 20 years before the insured's liability has expired by limitation. I cannot gain my own consent to recommend to the public those types of insurance carriers whose present finances or management fails to generate confidence as to their future ability to liquidate known and unknown obligations. If this minority of questionable companies are allowed to operate in Oklahoma, it will not only bring financial loss to their policyholders but tend to create a distrustful attitude towards those responsible companies who never feature in such transactions.

"Even though I may be the minority voice in opposition to harmful practices in the insurance board, I propose to continue to register those objections as long as I sincerely believe them to be detrimental to public interests.

"I shall continue to openly oppose certain practices which have allowed rules and orders of the state insurance board to be violated or ignored with impunity."

Read Asks Withdrawal

At a special meeting, May 28, Mr. Read requested that the secretary withdraw that statement. Mr. Philpott refused and Mr. Read said, in part:

"The statement of the secretary was altogether irrelevant to the business before the board on that date and has no place in the minutes of said meeting

(CONTINUED ON PAGE 33)

CHANGES IN CASUALTY FIELD

McCarthy Chicago Manager

Advanced by Massachusetts Bonding to Post Formerly Held by Ogden Davidson

Announcement is made this week of the appointment of A. F. McCarthy as manager of the Massachusetts Bonding in Chicago. Formerly assistant manager, he has been the acting manager since the time that Ogden Davidson resigned to become assistant United States manager of the Accident & Casualty of Switzerland.

Mr. McCarthy was on sick leave for two or three months earlier this year, but he is now in good health and able to assume managerial responsibility.

Mr. McCarthy started in the business in 1909 with the Hugo Dalmar & Co. agency in Chicago. Six years later he went with the Ocean Accident as payroll auditor, then he gained experience in the burglary, plate glass, compensation and automobile departments. His next connection was with the Rollins,

Burdick, Hunter Company in the New York office. In 1923 he returned to Chicago as assistant resident manager of the Massachusetts Bonding.

In 1929 he became casualty and surety manager for the Rollo, Webster & Co. agency of Chicago, which had the general agency of the Standard Surety & Casualty. In 1932 he returned to the Massachusetts Bonding as assistant manager.

Mr. McCarthy was the guest of President T. J. Falvey of the Massachusetts Bonding at Swampscott, Mass., for several days last week. Mr. Falvey desired to be assured of Mr. McCarthy's good health before having him assume managerial responsibilities.

Creer Made Assistant Manager

Frank B. Creer has been appointed assistant manager of the American Surety and New York Casualty in Detroit. He succeeds L. C. Minor, who has been made manager at Minneapolis. Mr. Creer graduated from the University of Utah and later took the business administration course at Harvard. He

specialized in economics, accounting and marketing. He went with the American Surety in 1931, and was trained in a number of home office departments. During the past two and a half years he has been in the Detroit office.

Corbett Joins San Diego Agency

General Agent V. Wankowski of the Maryland Casualty at San Diego, Cal., announces that F. R. Corbett has been made executive vice-president of the agency. Mr. Corbett was born and brought up in Chicago. He joined the A. F. Shaw & Co. agency in that city. Then he became identified with the Travelers branch office in Chicago. He left that city in 1913 to join the Ryan Agency at Winnipeg. He went to California in 1935. He took up the fire and casualty work in San Diego.

Starts Los Angeles Branch

The Employers Liability is setting up a southern California branch office in Los Angeles with William Wittkoff as resident manager. The Employers group has had a headquarters office in Los Angeles for some time giving claim, auditing, engineering and other service and the personnel of these departments will remain the same.

Mr. Wittkoff has been for three years

Minneapolis manager for the Employers Liability. Previously he was manager there for Norwich Union Indemnity. He first went to Minneapolis for the Aetna Casualty as special agent. Then he traveled for a time with the Twin City Fire and then with the Rhode Island Fire.

Martin Philadelphia Manager

J. H. Martin has joined the American Casualty as Philadelphia manager. He has been a field man in the territory for a good many years, having represented the Aetna Casualty, New Jersey Fidelity & Plate Glass and Yorkshire Indemnity.

ASSOCIATIONS

Chicagoans Take Honors at Illinois Federation Outing

Winners in the golf tournament at the annual outing of officers, directors and their guests of the Insurance Federation of Illinois, held at the Elgin Country Club, were as follows: Low gross, J. T. Meek of the Illinois chamber of commerce; low net, W. H. Wallace, Hartford Accident & Indemnity; blind bogey, B. J. Nietschmann, manager National Surety; high gross, E. J. Ptacek, U. S. F. & G., all of Chicago. Many prominent insurance men from around the state had planned to attend the outing but were dissuaded because of excessive heat.

Officers and directors who were present, all from Chicago, were as follows: W. H. Hansmann, vice-president Chicago branch Fidelity & Deposit; Rockwood Hosmer, R. W. Hosmer & Co.; W. O. Schilling, manager U. S. F. & G.; J. E. Callender, manager Ocean Accident and Columbia Casualty; B. J. Nietschmann, manager National Surety; Gail Reed, broker Fred S. James & Co.; Freeman Read, manager Globe Indemnity; W. W. Steiner, vice-president U. S. Casualty, and James White, manager liability department Travelers.

Los Angeles Adjusters Elect

LOS ANGELES, July 15.—At the annual meeting of the Casualty Insurance Adjusters Association of Southern California, F. C. Thomas, Hartford Accident, was elected president, succeeding Paul Gains, Standard Accident. Mr. Thomas was vice-president last year. Gordon King, Maryland Casualty, was elected vice-president, and Ben T. Shepard, Hartford Accident & Indemnity, was named secretary-treasurer for the eighth consecutive term. Joseph Crider, prominent Los Angeles insurance attorney, representative and president-elect of the California State Bar Association, was a guest.

San Francisco Leads in Drive

SAN FRANCISCO, July 15.—In a 13 weeks drive for automobile business conducted by the Travelers, ending June 15, the San Francisco agency led the entire nation in volume of new business. The final week of the campaign was the best ever experienced by the San Francisco office.

Allows Suit Against Chauffeur

In deciding an automobile owner can maintain suit against his chauffeur for damages resulting from alleged reckless driving, the Rhode Island supreme court set a precedent in so far as that state is concerned, and casualty people cannot recall any similar case elsewhere. The action was that of Louis Darman of Woonsocket, who sought \$20,000 from his chauffeur, C. K. Zilch, of Uxbridge, Mass., who it was alleged passed a red traffic light causing a collision with a truck which had the right of way. The decision of the supreme court was upon appeal from the ruling of the superior court which held Darman could not sue.

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This staunch, old, All-American stock company has, for more than 52 years, so served its policyholders that a national reputation for fair, prompt treatment has grown steadily through the years.

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DETROIT, MICHIGAN ★

WORKMEN'S COMPENSATION

Florida Solution Is Sought

Agents Ready to Cooperate on Compensation Situation, Even to Reduction in Commission

TALLAHASSEE, FLA., July 15.—The workmen's compensation situation in Florida, with the first year of operation under the new law here likely to set an all-time record for high cost for that coverage, is being given the closest attention by agents, companies and the state insurance department, in an effort to reach some satisfactory solution. The companies know they cannot carry on with such a loss ratio. The agents also are alive to the dangers in the situation, with possible loss not only of commissions, but prestige among the leading industries of the state.

Hunter Brown of the Fisher-Brown Agency, Pensacola, who has given the situation perhaps more study than most of the agents, feels that agents must find a way to help the companies and the assured into better situations. "I am convinced," he said, "that there is necessity for a revision of rates." He also feels that it is important for the agents to agree voluntarily to the fullest cooperation, even to the reduction of commissions. "This reduction of commissions is necessarily important in order that the companies' acquisition

costs might be reduced, at least to this extent, and possibly more," said Mr. Brown, "so that there might be a greater allowable loss ratio before debit rates are applied. This procedure, in my opinion, will be a sound economic measure, benefiting stock companies and stock company agents alike."

Desirable Lines to Mutuals

While many agents fear that if they volunteer to accept commission reductions the carriers may not go as far as they might with their own part of the sacrifices, the opinion seems to be gaining ground that Mr. Brown is right. It is reported that some desirable lines have already gone to mutuals and others are wavering. "When this business is gone to the mutuals we shall have a heck of a time to get it back," said a leading agent. "It is up to us to do some real thinking to retain our hold on this business, and to make sacrifices if that turns out to be necessary."

Commissioner Knott states that no final action was taken at the conference in Jacksonville looking to a program of experience rating, which was attended by leaders of all sides of the question. Mr. Knott is making a full study of the first year experience of the operation of the Florida law, which he expects to pass along to the public in a few days. Commissioner Knott said several weeks ago that he was going to work with assured for better safety equipment, and his efforts now are toward this end, as well as a program of experience rating.

ing the staff to 16. So far the rate of termination has been only about 1,500 daily, but he hopes to increase this soon to 3,000. There are estimated to be 250,000 to 275,000 files in the commission office which must be run through, and possibly 200,000 terminations to be made. It is necessary in terminating a certificate to stamp it four times and to make an entry in a list.

Many Assigned Risks Now Written on Regular Basis

MINNEAPOLIS, July 15.—Assigned compensation risks in Minnesota are steadily being taken over as regular business, according to a compilation just made by J. F. Reynolds, manager Minnesota compensation rating bureau.

The following summary shows expired assigned risks that were taken over as regular business: March, 1936, 8; April, 14; May, 24; June, 34; July (to July 9), 4.

"This is a total of 84 risks either written as regular business by the original carrier or by a company other than the assigned risk carrier," commented Mr. Reynolds. "This evidence of cooperation on the part of all bureau members on the direct solicitation of risks previously assigned is greatly appreciated."

In the same report Mr. Reynolds gives the number of assigned risks for the year ending June 30, 1936, as 600 compared to 708 in the year ending June 30, 1935.

Lloyds and Compensation

London Lloyds has not yet made a decision on whether to resume the writing of workmen's compensation insurance in Illinois. A conference on this subject will probably be held between Insurance Director Palmer of Illinois and the attorney-in-fact for Lloyds in Illinois, John S. Lord. Some weeks ago Mr. Palmer issued a ruling prohibiting Lloyds from writing such business on the ground that their deposit in the state was inadequate to justify engaging in this business. However, the London Lloyds Illinois deposit has now been increased four fold and it may be that Mr. Palmer will permit London Lloyds to compete for compensation business.

Oklahoma Loss Ratio Down

OKLAHOMA CITY, July 15.—Decided drop in loss ratio on workmen's compensation is shown for 1935 over previous years in the annual report of Commissioner Read. Fifty-five companies in 1935 collected \$2,755,817 and paid \$1,701,065 losses with general loss ratio 61.7 percent. In 1934 loss ratio was 81.5 percent; 1933, 129.1 percent, and 1932, 146.6 percent.

Gives Explanation of Retrospective

(CONTINUED FROM PAGE 27)

of business by its use, and has lost only one risk in that period of time. One other risk was transferred to a different basis of rating. Only the retrospective rating plan made it possible for large premium risks to be brought back to the stock companies because in general, the application of the prospective rating system made workmen's compensation cost about 20 percent more than the cost for insurance in the mutuals.

Drop in Loss Ratio

One of the most amazing and pleasing results of the application of retrospective rating, as reviewed by Mr. Randall, was the drop of loss ratio on a group of risks from 80 percent in 1931 and 1932 to 41½ percent in the first year of retrospective rating application, the year 1933. Mr. Randall said that the retrospective rating plan must be optional, that it operates best on risks of \$15,000 or more annual standard pre-

miums, and that it involves interstate rating. In fact, the name first applied to retrospective rating was interstate rating as distinguished from intrastate rating.

He said that it was understandable that a commissioner might hesitate to approve a prospective rate for lack of evidence as to its soundness, but that there seemed no good reason why a commissioner should hesitate to approve a rate based on what has already occurred. In Atlantic City, buyers indicated clearly that they were not particularly concerned about waiting for 30 months before coming to a final judgment as to the cost of carrying a risk for a year. While there is an adjustment every twelve months, the plan now is to have a final adjustment at the end of thirty months.

Essential Part Pointed Out

An essential part of the retrospective rating plan is that all parts of the risk wherever located shall be treated under a single rating application. With intrastate rating, the rating is done piecemeal. An examination of the record shows that under the latter plan, the regulated state premium on some risks under the prospective rating plan would carry the entire risk and provide for all losses outside of the state itself as well as the losses inside the state where the intrastate rate was collected. Savings under retrospective rating may increase as the risk grows larger and the credit possibilities accelerate above debit possibilities, the larger the risk to which it is applied.

Handling the Ford Risk

The workmen's compensation insurance of the Ford Motor Company, handled by the Travelers, became unprofitable. After strenuous efforts, Mr. Randall obtained an interview with one of the vice presidents of the Ford Motor Company. He learned that executives had not talked to an insurance company executive for 18 years.

The Ford risk, automobile manufacturing, was seasonal work and uneven in production from year to year. Losses could show tremendous increases in short periods. It was impossible to write the Ford Company on an annual basis with any assurance that the insurance company would not suffer great loss. After Mr. Randall had explained the retrospective rating plan, the Ford Company violated a general rule that it would not enter into any contracts where cost was not predetermined, accepted application of the retrospective rating plan, and found it satisfactory.

Testing Small Risk Plans

Mr. Randall announced that the National Bureau is now engaged in testing plans to be used for smaller risks. It is believed that a turn will soon be found practical which will enable agents to go after the smaller risks with greater assurance of success not only in obtaining the risk but also in establishing more satisfactory relations with assured.

Answering a question from President Arthur Nelson, Lancaster, N. H., president of the New Hampshire association, Mr. Randall said that the reduction in premiums for one group of risks was 16 percent below what the risks would have paid under the old plan. Of this reduction, the companies absorbed 9 percent and the agent 7 percent.

Considers Commissions Fair

Mr. Randall said he believed the commissions, to be paid, offered a fair compensation for the work to be done by the producer, and by the plan offers the agents greater opportunity to obtain more business, what was already being done rather generally on large risks. Mr. Randall said that some misconception had arisen as to how far the companies could go in taking over risks under the retrospective rating plan. He said, for instance, that no plan could take care of risks with a bad occupational disease hazard as for example, the silicosis hazard. His company has turned

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Malah Speeding Up Work of Terminating Certificates

Work of terminating compensation certificates in the Illinois industrial commission which the companies had thought for a long time were void but for which termination notices were not filed, is being speeded up under direction of Peter Malah, branch manager National Bureau of Casualty & Surety Underwriters, attorney-in-fact for 49 companies. The purpose is to minimize as much as possible the hazard of claims developing.

A statute of limitations of one year following accident applies to claims. However, technically the certificates are not void until ten days after termination notice has been formally filed with the commission. Since it is estimated by Mr. Malah that at least 80 days will be required to complete the work of terminating certificates, it is possible under some of them to have an additional exposure of nearly 15 months. So far it appears only three claims have developed but much loss could develop in more than a year.

Mr. Malah employed five additional woman clerks to do the work, increas-

CLAIM MEN

Automobile adjuster and also compensation claim examiner wanted in Chicago casualty office. If you are experienced write with full details.

ADDRESS D-49, NATIONAL UNDERWRITER

CHARTER FOR SALE

Casualty, Perpetual, Oklahoma.
For information ADDRESS D-50,
NATIONAL UNDERWRITER

WANTED

Wanted Special Agent, conference casualty company, Ohio territory. Must have knowledge of all lines.

ADDRESS D-51, NATIONAL UNDERWRITER

down risks where this hazard is believed to be present and does not care to touch these risks under any rating plan. He said that to take these risks where the occupational disease hazard is present in any aggravated form is comparable to a life company taking a tubercular prospect for life insurance or comparable to a fire company which would insure a burning building.

Many Clashes in Oklahoma Board

(CONTINUED FROM PAGE 29)

and, further, a majority of the members of the board voted that same be not included and said statement is an unnecessary reflection on the members of the insurance board and particularly the secretary himself who admits his knowledge of irregularities in the insurance business of Oklahoma, and said statement is a reflection on the governor of Oklahoma in that if the conditions be true as set out in the secretary's statement, they should have been corrected by the insurance board, the majority of whose members are appointed by the governor and which board is directly under the governor's orders."

Harmony Is Predicted

Mr. Read feels that the strained condition under which the Oklahoma insurance board is operating is largely influenced by politics and that after the election July 28, harmony will probably be restored.

To substantiate his belief he points to the recent reduction of fire insurance rates on residence property in the oil drilling zone of Oklahoma City.

Before leaving for St. Paul to attend the commissioners' convention last month, Mr. Read introduced the matter of reduction before the board. Several years ago when the board comprised Read, William Warren and J. T. Jones, that body voted a very high rate on certain risks in the oil field and this rate had continued in force. Read stated he had previously taken the matter up with representatives of companies and had an understanding that this high rate would not be enforced and that immediate revision of rates would be made. He further stated he had conferred with Manager C. T. Ingalls of the Oklahoma inspection bureau, who, he claimed, agreed, and made known to the board, his intention to investigate with a view toward adjusting the matter. While Read was away, the governor, who was touring the state on campaign matters, connected with his nomination for United States senator from Oklahoma, wired the insurance board to take immediate action relative to reducing the rates in the Oklahoma City oil field. The board complied with the order, at a meeting held after closing hours.

The governor charges Read with being for the insurance companies and praises Philpott as working for interests of the assured. Philpott agrees with Read that conditions within the board are clearing and that a better understanding is becoming apparent. He attributes the differences to "peanut politics" versus an insurance program neglected in Oklahoma for 15 years, and states that his chief aim has been to properly execute the orders of the board and to float a program that will lead to high insurance standards in Oklahoma.

Chicago Plan Now Before Committee

(CONTINUED FROM PAGE 27)

either the National Bureau or the Chicago managers and these general agents have a certain practical veto power, which can be exercised if a plan is adopted that is offensive to them. According to this general agent, the main objection to the plan on the part of Chicago general agents is the provision for a new class of producer—the city agent

—to whom any company might pay the top commission. The head office executives have been insisting that city agents not be permitted to pay brokerage, whereas the Chicago branch managers insist that this privilege be extended.

The plan of the National Bureau in creating one more high commission class does not reduce acquisition cost, whether city agents are allowed brokerage business or not, according to the general agent critic. So, he continues, when this point is settled no matter how, the cost of doing business has again been raised.

The general agents, according to this

critic, can see only one benefit in the city agent plan and that is to legalize the so-called political broker by placing him in a class by himself with more benefits than the general agent enjoys, in the placing of his business, and so arranging things that he can do business only with branch offices.

This critic states that no company can effectively control the brokerage paid by general agents and should the general agents become antagonistic, "a little judicious payment of excess commission or promise to do so would soon have the entire plan flat on its back, with the exception of the legalizing of political bro-

kers, which some think is the only aim of the people behind this movement," the critic states.

Travelers Man Aids in Quiz

The Travelers has granted R. E. Harrison three months leave of absence to assist the Ohio department in the investigation of alleged false insurance claims at Youngstown.

George S. Bright, 77, general agent in Jamestown, N. Y., for the last 38 years of the Northwestern Mutual Life and Standard Accident, died at his home after a short illness.

GUILTY!

YOU may think your insurance agent is a persistent person...he is.

But do you know why he won't take "no" for an answer? ♦ The manager who trusted his cashier so implicitly that he "wouldn't even consider" a fidelity bond knows. If the agent hadn't persisted, the embezzlement five months later would have wrecked his business. ♦ The bank president whose institution was robbed knows. And he is thankful that the agent was stubbornly persistent. ♦ An insurance agent has to be determined. He often has to be "guilty" of perseverance to sell essential insurance protection.

THE MARYLAND

MARYLAND CASUALTY COMPANY ♦ BALTIMORE ♦ SILLIMAN EVANS, PRESIDENT

ACCIDENT AND HEALTH FIELD

Woodmen Accident Officials Now Control Cornbelt Life

LINCOLN, NEB., July 15.—Interests connected with the Woodmen Accident of this city have secured control of the Cornbelt Life and a stockholders meeting has been called for Aug. 10 to vote on a change of name to the Woodmen Central Life. The proposal has been approved by the Nebraska department, subject to action by the stockholders.

New Financing Arranged

The officers under the new setup are: President, A. E. Faulkner; vice-presidents, E. J. Faulkner and R. W. Faulkner; treasurer, C. E. Spangler; secretary, R. L. Spangler. All of them hold similar offices with the Woodmen Accident. Dr. H. H. Everett, former president, and Victor L. Toft, former secretary of the Cornbelt, continue as directors.

The Faulkner interests have advanced \$50,000 and stockholders of the Cornbelt have been invited to subscribe \$25,000, for which they will receive surplus note certificates, bearing 5 percent interest and retirable out of surplus when more than \$50,000 has been accumulated in the surplus fund, with the option of exchanging for common stock at \$20, half of which will go into surplus, under like conditions.

Railroad Department "Ball Game" Runs Up High Score

Premiums of more than \$24,000 on 634 applications were produced for the railroad department of the Pacific Mutual Life in June in an unusual baseball contest between two picked teams of 24 men each, known as the "Kansas Sand Lot Sluggers" and the "Memphis Chics." The teams were lined up to produce as even a race as possible, with only \$45 difference in the production of the men on the two aggregations for the first four months of 1936.

Each three days constituted an inning, each \$300 in premiums counted as a run, each "app" as a hit, while any member of either team was charged without a strikeout for any inning in which he failed to produce an application. Charles H. Davis, manager of the department, sent out special bulletins on the results of each inning. The contest was close all the way through, but the Memphis team finally won out with 41 runs and 362 hits against 39 runs and 282 hits for its opponents.

The department's production for the month was 127 percent ahead of June, 1935, and 46 percent for the year so far.

Hold California Meeting Sept. 19

The annual meeting of the California Accident & Health Association, composed of the Los Angeles and the San Francisco clubs, will be held in San Francisco Sept. 19. George W. Kemper, Fireman's Fund Indemnity, is chairman of the committee in charge of arrangements. G. V. Chandler, General Accident, president of the San Francisco club, is also secretary of the National Accident & Health Association and vice-president of the state association. The convention is held in San Francisco every even year and in Los Angeles each odd year.

Set Record for Rutherford

The special accident insurance campaign which the agency organization of the Hartford Accident conducted in June in honor of Paul Rutherford, vice-president and general manager, developed total written of more than \$116,000.

Surgical Service Coverage Held "Practicing Medicine"

LINCOLN, NEB., July 15.—Attorney General Wright has advised Insurance Director Smrha that he withdraw his approval of a policy issued by the United Insurance Company of Lincoln which, for \$8 a year premium, agreed to furnish surgical service for all needed operations where the insured agreed to accept the surgeon designated by the company from its list. The attorney general says that as the income goes into the company treasury, in legal effect it is practicing medicine without a license. The opinion also says that a similar principle applies where medical, hospitalization, dental or optometrical service is provided in return for premium payments.

The United, of which Dr. Ira Atkinson is president, does a general health and accident business, and the surgical compensation form is but one of those it sells. The department recently licensed the General Health & Accident of Omaha, John O. Yesier president, which sells only medical and hospitalization expense indemnity in connection with either health or accident coverage.

Mr. Smrha so far is not now following the attorney general's advice to withdraw approval of the policies. He is sending out to all interested companies copies of the opinion with the request that it be studied. Later he probably will cite the companies to show cause why the policies should not be withdrawn, and in this way give them an opportunity to be heard and possibly to test the soundness of the opinion.

Frank E. Helvey, secretary Nebraska Insurance Federation, has called the attention of Director Smrha to the fact that the opinion brands every liability insurance company as a violator of law. Mr. Helvey points out that every automobile liability policy carries a provision that the company will have charge of the defense of any suit and will name the attorney, and under the reasoning of the opinion this is practicing law without a license.

"Continuous Disability" Upheld

LINCOLN, NEB., July 15.—The Nebraska supreme court, in Stambaugh vs. Great Northern Life, holds that recovery cannot be had for disability first occurring eight or ten days after accidental injury under an accident policy which provides that such disability must be continuous from date of accident. The court held that such a contract is not against public interest and is one that parties have a right to make. Having made it, the provisions must be strictly construed.

Chicago Committees Chosen

Charles H. Davis, Pacific Mutual Life, president Chicago Accident & Health Association, has announced the committee chairmen for the coming year as follows: Program, C. N. Dubach, Hartford Accident; membership, A. D. Anderson, Continental Casualty; educational, W. Clement Stone, Combined Registry Co.; entertainment, F. W. McIntosh, Monarch Life; publicity, R. C. Straub, United Sales & Service Co.; National Accident & Health Week, W. W. Pierce, Massachusetts Indemnity; rules, regulations and resolutions, H. G. Rockwood, United Insurance Co.; brokers and agents, R. B. Kegley, Moore, Case, Lyman & Hubbard; welcoming, John Watts, Pacific Mutual Life.

Observes 33d Anniversary

The Fidelity Health & Accident of Benton Harbor, Mich., is observing its 33d anniversary in July with a new business campaign which is meeting

with record results. President E. C. Bowlby is on a vacation in Europe and the campaign is in charge of Vice-president E. C. Edmunds and Secretary A. R. Arford. All three have held the same positions throughout the third of a century that the company has been in operation.

The first six days of the month, which included a two-day holiday, 520 applications were written.

Hold Convention in Chicago

The Leaders Club convention of the Illinois Bankers Life, including both the life and accident and health departments, will be held at the Edgewater Beach Hotel, Chicago, Aug. 17-19.

Associate Managers Named

BOSTON, July 15.—The Massachusetts Accident has appointed Assistant Secretary Clifton W. McNeill and Fred E. Dwinell, Jr., as associate managers of the ordinary department to succeed the late Wesley M. Roe. Mr. Dwinell has been sales manager of the ordinary department the past six months. Mr. McNeill is son of President Chester W. McNeill and has been with the company since 1931.

New Northern Arizona Manager

Millard Humphrey, former Arizona state manager of the Great American Life, has been appointed northern Arizona district manager of the United Benefit Life and Mutual Benefit Health & Accident.

Hold Virginia Agency Meeting

Virginia agents of the Mutual Benefit Health & Accident and United Benefit Life met in Richmond for a discussion of expansion plans for the state. Ray L. Hawkins, accident and health underwriter and Cliff Gurney were present from the home office.

Ambulance Chasers Sentenced

NEW YORK, July 15.—S. A. Schwartz, lawyer, and Dr. Leo Ariola, all of this city, were sentenced to three months in the workhouse. In pronouncing sentence Justice Baynes held it necessary to rid the community of corrupt lawyers and ambulance chasing doctors.

Mutuals' Substitute For High-Low Plan Is Given

(CONTINUED FROM PAGE 28)

50 weeks' indemnity benefit at the maximum weekly rate of compensation, and medical losses not in excess of \$100 on each case.

The term excess losses shall mean that portion of each loss in excess of the normal loss amount.

The term excess ratio shall mean the ratio of excess adjusted losses to total adjusted losses as defined under the experience rating plan and used in calculating the experience modification of the risk.

The term partial premium ratio shall mean the percentage of total standard premium necessary to provide for risk excess losses and a portion of the expense loading.

The term normal loss conversion factor shall mean the factor necessary to convert normal losses to a premium basis. It is based upon the allowable loss ratio underlying manual rates approved for the particular state.

The plan will be available to any risk which for the latest year of the experience period, under the present experience rating procedure, produced a premium of not less than \$5,000 at current approved rates.

The supplementary plan is superimposed upon the experience rating procedure. Even though the assured has elected the supplementary plan, the risk shall continue to be experience rated in accordance with the provisions of the experience rating plan.

The plan provides for the full standard expense loading included in manual rates. In application part of the ex-

pense loading is collected through the normal loss multiplier, and the remainder is collected through the partial premium factor applied to the full standard premium.

Excess losses incurred under the policy subject to the supplementary plan, regardless of amount, are not used in determining the final premium under the plan. A portion of the cost of such losses on the individual risk is spread over a period of years through the partial premium ratio, the amount so spread depending upon the reliability of the risk experience as measured by the experience plan. The remainder is spread over all risks in the same manner.

Catastrophe losses arising out of an accident in which two or more employees are injured will be included in the normal losses at an amount not in excess of twice the normal loss amount for indemnity and medical separately in accordance with present experience rating procedure.

Partial Premium Ratio

The partial premium ratio is made up of (1) the risk excess ratio which provides for the average expected excess losses of the risk with the full expense loading thereon, (2) 20 percent of the normal premium ratio of the risk which provides for a portion of the expense loaded for acquisition and taxes. In practice the partial premium ratio is expressed simply as a factor applicable to the total standard premium.

The normal loss conversion factor contains the balance of the full expense loading not included in the partial premium ratio.

The first adjustment of premium will be made at a date six months subsequent to the termination of the policy period and a final premium adjustment will be made at a date 18 months subsequent to termination of the policy period. The period for adjustment may be extended by agreement between the assured and the insurance carrier if any cases are still in controversy at the end of the 18 months' period.

If cancellation is effected by the assured the earned standard premium shall be determined on a short rate basis and shall be the minimum premium for the risk under the supplementary plan. This is what the assured would have paid on the standard rating basis. The premium under the supplementary plan shall be calculated by applying the partial premium ratio to the earned standard premium on a short rate basis and adding thereto the normal losses converted to a premium basis in accordance with the above procedure. The final premium shall be the premium thus determined but not less than the standard premium on a short rate basis.

If cancellation is effected by the insurer the final premium will be determined throughout on the basis of the actual earned standard premium for the period from the rating date to the date of cancellation.

Sues to Enjoin Suit

CHARLESTON, W. VA., July 15.—An unusual suit has been filed in federal court here by the United States Fidelity & Guaranty to enjoin Alma Williams, administratrix of the estate of Arthur Williams, from instituting suit against the company or F. H. Champe, to whom a liability policy was issued covering a truck used by him as a school bus in Nicholas county. Mrs. Williams has threatened suit for \$10,000 for the death of her husband in an accident in which Champe's truck was involved. The U. S. F. & G. contends that its policy covered only use of the truck as a school bus for hire and not in private use and that there is no duty on its part to defend the threatened suit. It asked the court to declare a declaratory judgment construing the policy.

Frank Williams has joined the Palmer & Reese Company, Jacksonville, Fla., in its insurance department. He has been in the insurance business in Jacksonville for 21 years, in recent years with the McCord Insurance Agency and before that with N. D. Suttles.

Federal Automobile Case Before Court in Missouri

GET A WRIT OF PROHIBITION

State's Highest Tribunal Hands Down Decision Involving Assessment Levied on the Members

The law firm of Strubinger, Tudor & Tombrink of St. Louis has been successful in carrying a case up to the Missouri supreme court involving policyholders of the Federal Automobile Insurance Association of Indiana, a reciprocal. The policyholders applied to the supreme court for a writ of prohibition to prohibit the judges in the circuit court of St. Louis from proceeding to render judgment against them in an action which was instituted by the Missouri ancillary receiver for this association. The litigation involved about \$400,000 in judgments for some 6,500 policyholders in Missouri.

Applied for Writ of Prohibition

The law firm representing these policyholders who resided in Missouri applied to the supreme court for a writ of prohibition and the court issued its preliminary rule in prohibition some time ago. The case was then briefed and argued in the supreme court in February. An opinion was handed down a few days ago making the rule in prohibition absolute against the circuit judges. The supreme court held that the petition of the ancillary receiver, which was filed against all of the policyholders jointly, was fatally defective, in that it contained a misjoinder of parties, as well as causes of action, and it was on this ground that the court made the rule absolute.

Had Judgment Set Aside

About two years ago the ancillary receiver in the same suit obtained approximately \$400,000 in judgments and the law firm went to the supreme court on a writ of certiorari and had the judgment set aside. Then the latter proceeding followed. All the policyholders in Missouri joined in one suit and instead of serving each separately with summons, the receiver had summons issued to the sheriff of Cole county and served the superintendent of insurance in behalf of all. Among the complaints raised was the attack on this character of service, Strubinger, Tudor & Tombrink contending that the assessments were debts of former subscribers and could be recovered, if at all, by suing each one personally in the county of such subscriber's residence.

W. A. Greenspan has resigned as head of the insurance department of the E. Cecil Phillips Agency, Chattanooga, to go with the Fidelity Trust Company of that city. He is succeeded at the Phillips agency by R. E. Talley.

Fidelity-Surety Activities

Fidelity Bonds Are Revised

American Surety and New York Casualty Modernize Forms Following Survey

Modernization of name and position fidelity schedule bonds following a nation-wide survey conducted for several months is announced by the American Surety and New York Casualty. The new forms embody many ideas developed in the survey, including important automatic coverage for selected assured where amount of coverage required is small, as well as in cases where the coverage is substantial. Heretofore this automatic coverage has been granted by surety companies only in special cases and not as a general rule.

Phraseology Is Clarified

The survey was conducted through branch managers with the objective of providing clients coverage to meet present day requirements. The new bonds are clearly phrased, short in form, and printed in a form to make possible easy understanding of the coverage. There are no exclusion clauses, and many broad, liberal features attractive to assured, agents and brokers are included. The comprehensive automatic coverage, it is believed, will stimulate sale of the coverage, especially to smaller business concerns which have not purchased fidelity coverage in the past.

The automatic coverage protects concerns against loss due to new employees, who under the usual procedure must be specified in the bond. When an employee is hired a period of two or three weeks is frequently required before the necessary papers can be executed to include the new employee in the schedule bond. The automatic coverage takes hold in this period.

The American Surety and New York Casualty also have conducted a nationwide survey of bank coverage which has developed a number of valuable ideas. One of these is individual inspection of risks and the making of recommendations to reduce hazard. The branch office reports to the head office, which analyzes the risk and determines what recommendations to make. The educational campaign among bankers has progressed far.

Issue Up Some Time Ago

NEW YORK, July 15.—According to surety underwriters, the suggested change in the rates and method of premium computation for blanket securities bond Standard Form No. 4, urged upon the Towner Rating Bureau by F. X. Xiques, manager of the blanket bond department of R. A. Corroon & Co. of this city, were threshed out in conferences



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between officials and the Towner Bureau years ago, and are not likely to be taken up again. It is further pointed out that the segregation of loss experience under the several divisions of the coverage, as recommended by Mr. Xiques, has been followed by the bureau for the past two-and-a-half years.

Big Bond in Chicago

The bond covering the construction of the control locks at the mouth of the Chicago river has been written through the Chicago branch office of the National

Surety. The bid of about \$1,900,000 of the Frazier-Davis Construction Company was accepted.

Public Official Underwriting

Surety companies, degree by degree, are liberalizing their underwriting requirements. This tendency is manifested in a number of ways. For instance, the fear of depository liability has very largely passed and the surety companies, in underwriting public official bonds, are much less concerned because of the de-

pository liability feature in those bonds under the laws of many states. For a time underwriting of public official bonds was virtually paralyzed because the executives feared to assume any depository liability in connection with such bonds. Now that there has been a period of three years with very few bank failures, that fear is passing and the companies are handling public official business in a routine way again. Most companies, however, are very strict in their prohibition against issuing bonds for holdovers.

U. S. F. & G. Wins Ohio Suit

COLUMBUS, O., July 15.—Judge King of the common pleas court here has ruled in favor of the U. S. Fidelity & Guaranty in a suit in which the state sought to recover \$145,000, with interest, which it contended to be due on a depository bond. The bond had been carried on the Union Trust Company of Dayton, which was subsequently liquidated.

PERSONALS

A number of important people in the American Surety organization have completed 25 years of service. One is A. I. Zimmerman, Los Angeles manager, who has rounded out a quarter of a century. The employees of his office presented him with a desk lamp in commemoration of the event. He was also given a luncheon by the men in the office. John McIntyre, Rochester, N. Y. manager, is another 25-year man. Still another is Paul N. Cherry, assistant manager at Washington, D. C. W. L. Winslow of the Boston office rounded out 40 years and the event was appropriately observed by his associates. E. H. Judson, manager underwriting reinsurance division of the home office, was the guest of honor at a luncheon in tribute to his 25 years' service.

Arthur S. Holman, San Francisco, manager of the Travelers, has been confined to his home for a month with laryngitis and is expected to be away from his desk for another week.

E. Asbury Davis, president United States Fidelity & Guaranty, spent July 8, in San Francisco, assisting E. C. Porter, vice-president, and other Pacific Coast executives in officially opening the new Pacific headquarters of the U. S. F. & G. and Fidelity & Guaranty Fire at 444 California street. Executive offices of the companies are on the first floor with claims and legal departments on the second floor. Brokers will occupy the entire fifth floor.

Accompanied by Mrs. Davis, President Davis left for Los Angeles in the evening and after a day there started the return trip to Baltimore.

Miss Estelle M. Hoffman, secretary of Foster & Messick, Indianapolis, managers United States Fidelity & Guaranty, and D. J. O'Neill, Jr., city clerk, were married there.

W. E. Dickey, vice-president of W. A. Alexander & Co. of Chicago, veteran insurance man, died of pneumonia Sunday at St. Luke's hospital there. He was 63 years of age. He was a native of Valparaiso, Ind., and soon after arriving in Chicago he started with the Alexander Agency in 1892 as an office boy and eventually became a partner. Burial was at Indianapolis.

John H. Dickerson, 63, Cincinnati agent and first president of the Cincinnati Casualty & Surety Association, died there after a long illness. He was associated with his son-in-law, George Linn, in the firm of Dickerson & Linn and was in the insurance business 18 years. Mr. Dickerson was general agent of the Western & Southern Indemnity until that company retired from business. He

was a resident of Cincinnati 45 years. E. R. Buss is chairman of a joint committee of the Cincinnati Fire Underwriters Association and the Cincinnati Casualty & Surety Association which will prepare a resolution as a memorial to Mr. Dickerson.

Sam L. Webster, resident manager of the northern California office of the Maryland Casualty, was tendered a luncheon by a group of friends and associates on the occasion of his tenth anniversary as manager of that office. During the previous eight days a campaign had been conducted in behalf of Mr. Webster and his production averaged \$1,000 a day. This complimentary business was presented to Mr. Webster at the luncheon.

Success in N. Y. Fraud Quiz

NEW YORK, July 15.—As one result of the vigorous work by the recently created accident fraud bureau of the district attorney's office, 18 persons have been indicted and five arrests made for alleged fraudulent claim making. More indictments are expected. Much of the information upon which the indictments were based was secured from Jacob Hurwitz, an insurance broker of this city, who is one of those now under arrest. The racket has been very similar to that followed by fake accident groups in other centers, and which have been broken up through the vigilance of the claim division of the National Bureau of Casualty & Surety Underwriters working in conjunction with the law enforcement agencies. The fake accident racket reached such proportions within recent years as to warrant a systematic attempt at its eradication. The move has been partly successful and promises to become increasingly effective as the police and prosecuting officials devote greater attention to it.

F. & D. Stockholders Rejoice

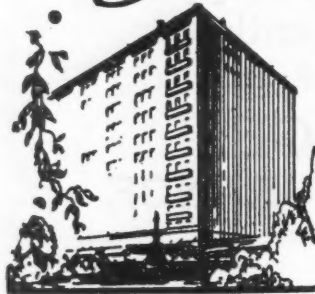
Stockholders of the Fidelity & Deposit have cause for much rejoicing due to the fact that a 50 percent increase in the regular quarterly dividend rates is announced and an extra dividend of 50 cents per share has been declared.

A regular quarterly dividend of 75 cents has been declared. This compares with the 50 cent dividend in the past. An extra dividend of 50 cents has been declared as compared with an extra of 25 cents that was declared April 8.

Net premiums written during the first six months of 1936 amounted to \$5,776,672, an increase of \$500,674 over the same period for 1935.

H. S. Compton, Gatesville, Tex., has sold an interest in his agency to H. K. Jackson of Seymour, Tex.

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Miscellaneous Fire What is "actual cash" value— "sound" value? Accounts receivable insurance— budgeting fire insurance premiums—explosion, riot and civil commotion insurance—vandalism insurance—multiple location policies—reporting forms—leasehold interest—principle of indemnity and non-valued policies—profits and commission forms—rent and rental value—supplemental contract, etc., etc.

Aircraft Kinds of cover available—writing small owners and operators, etc.

Auto Convertible collision—comprehensive—garage keepers' liability— theft, robbery and pilferage, etc., etc.

Fire Coinsurance—blanket errors and omissions—sole ownership—what makes a fire policy void—property under contract of sale—improvements and betterments, lessee and lessor, etc., etc.

Fire Forms What is "contents"?—special building and/or contents form—apartment building form—builders' risk form—churches—cotton and corn—blanket errors and omissions—lumber yards—rental value, public school buildings, etc., etc.

U & O What is U & O?—difference between profits and U & O—period for which loss is payable—80% contribution form—5 day week—formula for U & O values—contingent U & O, etc., etc.

Inland Marine Definition of inland marine—contractors' equipment—camera and projecting machine—department store—fine arts—furriers' customers—conditional sales and merchandise installment—physicians', surgeons' and dentists' instruments—musical instruments—personal effects—jewelry—radium, etc.

Windstorm Windstorm policy may be needed to cover fire loss—new way to sell windstorm—windstorm letter—mortgage interest, etc.

CASUALTY

Aircraft Airport P. L. and P. D.—private and non-scheduled commercial aviation, etc.

Auto Sale of P. L. to person who carries fire insurance—borrowed auto, how to cover—when is a truck a "hired car"?—non-ownership for trucks—P. L. for filling stations, service stations, open air parking lots—New rules have widened field for auto non-ownership—Non-ownership vs. separate cover, etc.

Bonds Bankers' blanket bond—night depository safes and chutes—liability of bank directors for losses due to inadequate bonds—commercial blanket vs. blanket position bonds—how do contract and completion bonds differ?—corporate vs. personal surety, etc.

Burglary Office burglary and robbery—mercantile open stock burglary, residence burglary—safe deposit box, etc., etc.

Forgery What is forgery?—importance of insurance against check forgery—answering objections, etc., etc.

Plate Glass Possibilities—plate glass policy—auto plate glass—lettering and ornamentation—private dwellings—three year policies, etc.

Power Plant Furnace explosion insurance—U & O—consequential damage—outage insurance—why low pressure boilers should be insured—insuring steam piping, etc.

Public Liability Need of public liability—importance of special endorsements—O. L. & T., apartment buildings—personal liability of officers of corporations—why contractors need public liability—injuries caused by hoists—why landlords need P. L.—O. L. & T. for trustees—O. L. & T. for restaurants, hotels, public schools, etc., etc.

Robbery Meaning of robbery—sale of robbery insurance—bank robbery, time locks—messenger and interior robbery insurance—paymaster robbery, payroll checks vs. insurance, etc., etc.

Workmen's Compensation Three year term, private residences, occasional servants—occupational diseases—schedule and experience rating—voluntary compensation, etc.

Miscellaneous Casualty Church burglary policy, hazards insured against—declarations and warranties—what makes policy void—casualty lines which may be written on three-year basis, etc., etc.

Collections Agent not banker—a personal matter—getting unpaid accounts settled—letters—the telephone, etc.

Selling Methods Need of real salesmanship—importance of knowledge—buying on price—method of selling which protects against large single loss—insurance test selling plan—insurance expense not like other expense—preventing cancellations and reductions—selling new business—surveys and the follow through, etc.

Agency Management Agency budget—expense ratio—distribution of premiums by classes—accounting method—monthly statements, etc., etc.

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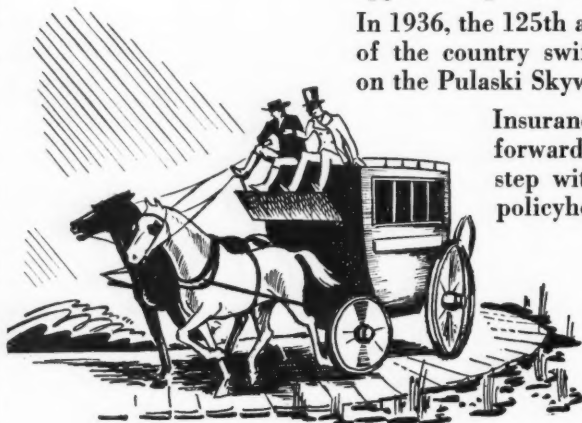
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